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NEWS SUMMARY

GENERAL

agle
ew
ts
irs goTen on board the P & O
car ferry, Eagle, in
imply, last night
compensation terms
by the company and
the 40 cars held to
up" over the past three
to leave the ship.D said: "We have settled
weeks' salary with over-
plus £150 a man-about
all." The dispute arose
30 National Union of Sea-
men were told at short
last week about the ship's
French interests.Eight of the 12 passengers
remained on board until
they were freed were having
Earlier in the day, Mr.
Griffiths in the High
ad ordered the release of
anger's car from the ferry.Other cars would have
be moved because the
ful applicant, Mr. John
had his vehicle on the
d O has promised to re-
s as many seasons as pos-
other areas of the group.onehouse
plainsIn Stonehouse, in a state-
of the Commons about his
conduct. "Genial that
a CIA or Czech agent,
about being "pursued by
nists" and said he had
suffered as suffering from
lactic suicide." He was
died four times by the
Mr. Selwyn Lloyd, for
ping to his approved text,
and problems over his
fish tank for contributing
breakdown. Court story,
Parliament, Page 14

message

Bomb blasted the centre of
in Co. Tyrone, injuring
people, including two
men. Several shops and
were damaged. Fears grew
safety of Derry indus-
try. Tiede Herrema after
diary Mr. Philip Flynn
that the "receding
last Thursday began
ng allowed to tape this
message from the Irish
ion Organisation.

welcomed

Alison and the Duke of
ter were at Heathrow to
Crown Prince Fahd of
Arabia when he arrived
four-day official visit.
The delegation will meet
officials to discuss a
arms deal.

erver hopefuls

Waller, political corres-
of the Sunday Tele-
and Mr. Dennis Hackett,
fishing consultant, have
for the editorship of the
er. Eight candidates are
the running.

er jailed

Sime Darby chairman
William Pinder, 52, was
for 18 months by a Singa-
pore court after pleading
to three breaches of trust
involving over £24.5m.

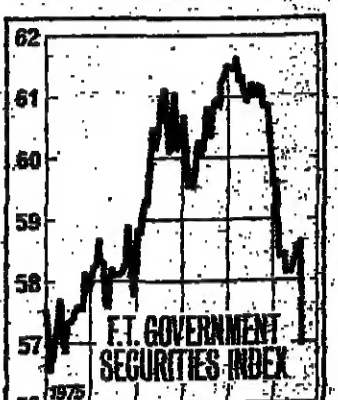
fly...

City underground trains
killing at least 34table of Dundee, a former
an of the Stock Exchange,
ed 72. Obituary, Page 8since cancelled most of his
flights from Charles
de Gaulle, near Paris,
maintenance staff went onInternational, the chari-
charity, flew a five-year
y to London from Sri
for a hole-in-the-heart
in.the 26-year-old model
in star is to marry U.S.
Michael Whitney next year.
e obtains his divorce.

PRICE CHANGES YESTERDAY

in pence unless otherwise
indicated)RISERS
national 106 + 7
dgs. 15 + 34
100 + 8
Lotus Car 24 + 3
g and Leisure 40 + 6
atto 38 + 4
k 190 + 30
es and Lands 290 + 30
t Russell 118 + 18
Witt 350 + 10
copper 16 + 2
440 + 40
590 + 10
alsend 380 + 10
ining 878 + 25FALLS
y 10pc 1979 294 - 1
y 13pc 1987 230 - 11

BUSINESS

Gilts and
equities
fall; Dow
up 9.84● GILTS closing falls ranged
to 11, making two-day losses of
over three points. Mr. Healey's
rejection of short-term Govern-ment expenditure cuts were the
underlying factor. The FT
Government Securities Index
fell 0.94 to 54.95, making a two-
day decline of 1.75.● EQUITIES were unsettled
The FT 30-share index closed
5.7 down at 236.7.● STERLING rose 40 points to
\$2.0629; its depreciation nar-
rowed to 25.4 (29.5) per cent.
The dollar's fall widened to 2.19
(2.13) per cent.

● GOLD gained \$4 to \$1481.

● WALL STREET closed 8.24
up at 242.62 on the GNP figures.● U.S. TREASURY Bill rose
from 3.687 to 3.695 (3.645) per
cent. Sixes 6.155 (6.243) per
cent.Wage inflation
slows down● AVERAGE earnings rose by
only 0.5 per cent in the U.K.
between July and August to a
level 25.5 per cent above a
year ago, compared with a year
on year rise of 2.6 per cent
for July 1975. Retail sales
volume dropped 3.25 per cent
between the second and third
quarters—one of the steepest
declines on record. Back Page.● WEST GERMAN economic
growth of 4 per cent is probable
next year, together with further
reduction in inflation and a
steady unemployment plateau of
10.5 per cent, according to an independent
report. Back Page.● MONSANTO / DEMINEX
North Sea exploration group has
made a promising find on its
15/21 acre tract off the coast of
Firth. A well was tested at an
average flow rate of 4,200 barrels
of oil a day.● CO-OPERATIVE Bank yesterday
became the first bank to
achieve full clearing house status
for 39 years. Men and Matters,
Page 16● NVT's Small Heath plant in
Birmingham was put in the hands
of the receiver yesterday, two
months after the liquidator was
called in at its Wolverhampton
factory. Back Page.● SYDNEY Stock Exchange has
demanded an explanation from
the Board of Gollin Holdings by
to-morrow as to why it said it
knew of no reason for a share
price fall of 17 per cent before
announcing \$413m. losses. Page
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COMPANIES

● RUGBY PORTLAND CEMENT
first-half pre-tax profits rose to
£5.32m. (£4.96m.). Chairman
said third-quarter profits are
"substantially up" on 1974's.
Page 15 and Lex.● GREAT UNIVERSAL Stores
sales and earnings for the four
months to August are ahead of
last year's, according to the
chairman. Pre-tax profit for the
year to April was £39m. (£33m.).
Page 19 and Lex.U.S. third-quarter
increase in GNP
best for 20 years

BY PAUL LEWIS, U.S. EDITOR, WASHINGTON, Oct. 20

The U.S. economy took its expected great leap forward in the third quarter of this year, when the gross national product increased in real terms at an annual rate of 11.2 per cent—the fastest rate for 20 years.

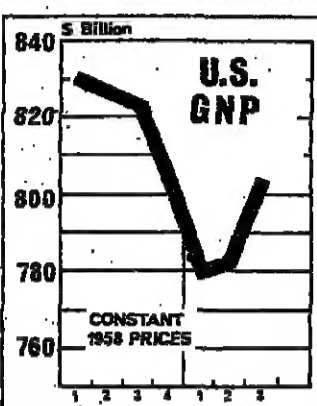
The Ford Administration immediately hailed the figure as conclusive proof that the recession is at an end and the economy now firmly set on the recovery course it has been predicting all along for the second half of this year.

The high rate of GNP growth largely reflected a slow-up in the rate of industrial de-stocking which has been dragging the economy down all year. The Commerce Department warned, however, that it could not be sustained in the final quarter, when the rate of increase would probably drop back to about 6 per cent.

Today's figure came as no surprise, for the Administration has been hinting openly for more than a week that the rise in third quarter GNP would be in double figures.

The 11.2 per cent annual rate, though, contrasts sharply with the 1.9 per cent rate in the second quarter and negative figures for the preceding five quarters.

More than half the rise is attributable to the slower run-down of inventories, which fell from \$31bn. in the second quarter to \$9.5bn. in the third. The rate of increase in real, while residential construction final sales remained relatively steady at 4.4 per cent, compared with 4.6 per cent in the second quarter, though the savings



ration declined from an annual rate of 7.2 per cent. In the third quarter, as measured by the new chain price index, compared with 5.4 per cent. This reflected the midsummer upsurge which seems now to be petering out—although the Commerce Department warned today that retail prices are likely to rise faster during the remainder of the year than the 2.5 per cent annual rate achieved in September.

While the Administration feels the third quarter GNP figures amply confirm its basic economic policies, it is still relying on an extension of this year's anti-recessionary tax cuts through 1976 to sustain the recovery.

There is not much doubt that Congress will go along with this part of the President's plan, but it is extremely doubtful whether it will accept the parallel reductions in public spending he wants.

In the meantime, the sharp increase in GNP will help President Ford resist pressure for further reflation from Britain, Italy and France at next month's economic summit meeting.

The Americans have, all along, wanted the Summit late in the year, when the upturn in their own economy would be apparent.

German recovery predicted

Lords reject Government
advice on free Press Bill

BY RICHARD EVANS, LOBBY CORRESPONDENT

THE LORDS last night rejected Government advice and backed Lord Goodman in his attempts to spell out exactly what the proposed charter on Press freedom should contain.

Mr. Michael Foot, Secretary for Employment, will now have to consider what to do about the reversal before the amendments to the Trade Union and Labour Relations Bill are returned to the Commons in about two weeks.

But consideration of further "vital" amendments by Lord Goodman, which seek to make the common law rights of editors under the charter sharper and clearer, was postponed to allow further discussion between the sponsors. Conservative leaders and Ministers.

These amendments are likely to be at the centre of any constitutional conflict between the Government and the Lords because Ministers appear adamant that as drafted at present there is no prospect of their acceptance by the Government.

The amendments, which could be discussed by the Lords next week, state that nothing in the charter should restrict any right under common law, and that any rule or agreement contrary to the charter "shall be deemed to be contrary to public policy."

In Lord Goodman's view this

will ensure that journalists have the right to protect themselves by resorting to the law, but in the opinion of Ministers it introduces an unacceptable further legal element into the legislation.

Conservative leaders are anxious to discover whether these Goodman amendments have the full force of law behind them. If they do not, the Tories seem determined to return to the original proposals by Lord Goodman which sought a statutory code of conduct and which were rejected by the Commons.

For the moment, however, any constitutional clash between the Government and the Lords has been postponed. A crisis would occur if Goodman's amendments were passed by the Lords and the peers in their turn insist upon delaying the Bill once again.

If the Bill shuttles between the two Houses until the end of this session (probably in early November) it will be lost and there could be great pressure on the Government to invoke the 1949 Parliament Act restricting the Lords' powers to delay legislation. A new Bill could become law by next January.

The Government amendments passed by the Lords yesterday would include in the charter the right of journalists not to be unreasonably excluded or expelled from trade unions and to

belong to the union of their choice, and the right of editors to discharge their duties free from any obligation to join a trade union.

They also include the insertion of a sub clause calling for the avoidance of "improper pressure to distort or suppress news, comment or criticism."

Mr. Foot had taken his stand on earlier amendments proposed by Lord Houghton, a Labour peer and former Cabinet Minister. These provided that both sides of the newspaper industry would have to agree a charter within 12 months otherwise one would be imposed by the Government.

Both Lord Houghton and Lord Shepherd, leader of the Labour peers, argued that it would be much better to give the industry a chance to draft its own code free from any Parliamentary restrictions, but Lord Goodman, backed by Lord Gibson and Lord Drobny, believed it essential that certain safeguards needed to be written into the charter by Parliament.

The Government amendment suggesting a list of issues to be included in the charter, was rejected by 188 votes to 77, and Lord Goodman's amendment accepted by 188 votes to 69.

Parliament Page 14

Soviet-U.S. five-year grain deal

BY PAUL LEWIS

WASHINGTON, Oct. 20

THE U.S. will sell the Soviet Union at least 6m. tons of wheat and maize annually over the next five years, under the terms of a new long-term agreement signed in Moscow to-day and intended to stabilise world grain markets.

Both Governments also announced their intention of concluding another deal under which the Soviet Union will supply the U.S. with 200,000 barrels of oil a day for five years at a price yet to be decided.

In a message accompanying the grain agreement, President Ford said it would create more stable market conditions in the U.S. and encourage American agricultural output by providing a secure outlet for the nation's farmers.

The new agreement obliges the

Soviet Union to purchase at least 6m. tons of U.S. grain—about equally divided between wheat and maize—in each twelve month period from October 1, 1976 to September 30, 1980. The Russians have the right to buy an additional 2m. tons a year if they wish, although not if the U.S. harvest falls below 225m. metric tons.

Before the agreement comes into effect next October, the Soviet Union may purchase another 7m. tons of U.S. grains on top of the 10.4m. tons they have bought already.

Outlining the agreement, Mr. Earl Butz, Agriculture Secretary, said it would create more stable market conditions for the whole world by ending the Soviet Union's sporadic buying sprees which have often caused wild

fluctuations in the price of grains.

U.S. intelligence has reported the construction of large new silos in Russia over the past few months, and Mr. Butz said he was convinced that the Soviets intended to store whatever portion of their annual output of 6m. tons they did not use in good years against later harvest failures.

The Agriculture Secretary insisted that the U.S. would still be able to accommodate other grain buyers in addition to the Soviet Union. He forecast that next year American farmers would continue to plant at this year's maximum levels since the Administration would provide no subsidies for land withheld from production.

Liquidator
move for
Scottish
newspaper

BY CHRIS SAUR

THE MOUNTING financial crisis threatening the five-month old Scottish Daily News forced its worker-directors yesterday to petition the Scottish Court of Session to appoint a provisional liquidator.

Leaders of the workers' co-operative, launched by redundant Beaverbrook newspaper employees, said yesterday that without substantial fresh capital the paper was likely to survive for only four to six more weeks.

Mr. James Whitton, senior partner of Cooper and Lybrand accountants, has been named as provisional liquidator. He will be responsible for the paper's continued publication, or its winding-up if no backer or purchaser is found.

Cooper and Lybrand was appointed the paper's auditors by Mr. Robert Maxwell, chairman of Pergamon Press, last month.

The decision to appoint a provisional liquidator follows the Government's refusal last week to finance the paper with more than the £12m. lent in May, or to relinquish part of its security on the printing premises to help raise a private loan.

Mr. Maxwell said last night that it was "too premature" to regard him as a possible purchaser of the paper. "I believe it is still possible to save the paper and I will do my best to save it."

Last plea

He added that the appointment of a provisional liquidator, which he had advised, would provide the paper with professional management eminently acceptable to the Government.

Leaders of the co-operative, accompanied by Mr. James Milne, general secretary-designate of the Scottish TUC, will meet the Prime Minister at Downing Street to-day—ostensibly to make one last appeal for aid but, in fact, to hear the reasons for the Government's refusal to do so.

Mr. Alister Blyth, the co-operative's chairman, said that appointing a provisional liquidator was the only means of ensuring the jobs and wages of the workers.

Mr. Nathan Goldberg, the editor, said the 500 employee-shareholders had unanimously endorsed the "shattering" decision. "I was really proud of the way they took it," he added.

Technically, the appointment of a provisional liquidator leaves the possibility of his withdrawal later if ways of maintaining the company's operations can be found. The co-operative's leaders, who will resign as directors, were visibly relieved at shedding the task of managing a paper losing an estimated £15,000 a week and needing at least £250,000 to survive.

PM to meet
doctors on
private beds

BY DONALD MACLEAN AND LORELIES OLSLAGER

THE IMMEDIATE RISK of confrontation between the Government and the doctors over the hospital situation receded yesterday as Mr. Harold Wilson announced to Parliament the setting up of a Royal Commission of Inquiry into the National Health Service and agreed to meet doctors' leaders to-day.

At the same time, however, industrial action by junior doctors on the question of overtime pay continued to swell, with action taken at some 80 hospitals around the country, and spreading to London, where the Middlesex Hospital was among those affected.

Although the Prime Minister's statement of the terms of reference of the Commission followed the lines of his announcement on the subject on Thursday, doctors claimed to see a softening of Government attitude on the sensitive question of private practice in health services hospitals.

Mr. Wilson re-affirmed the Government's commitment to the phased separation of private beds from the hospitals, but his statement that this would be "as soon as the Parliamentary timetable allows" was claimed by doctors as a victory for their campaign to hold back Government action on the issue until the matter had been considered by an independent inquiry. In Whitehall last night, however, some Labour leaders made it apparent that they expected legislation on this to be brought forward in the next Parliament session.

Doctors are continuing to call for a moratorium on the pay beds issue while the matter is the subject of an inquiry, but felt last night that the Government had left itself latitude over the timetable for implementing its proposals in this field.

Doctors are continuing to call for a moratorium on the pay beds issue while the matter is the subject of an inquiry, but felt last night that the Government had left itself latitude over the timetable for implementing its proposals in this field.

Health authorities so far refuse to talk of a crisis situation, but admit that treatment of any but emergency patients could be seriously affected and waiting lists could be swelled to alarming proportions if the dispute continues to escalate.

Outside the North-West, many of the actions are still taken and for 24 hours only. But at several hospitals, doctors are warning that they are only firing warning shots at the moment.

At Harfield, a famous heart hospital, a junior doctor said that at "at the moment we are treating anything that is really urgent. We are also treating cancer as an emergency." But if the dispute over the new contract was not settled soon then "emergencies will come to mean life or death situations only."

Towns affected by junior doctors' action include: Canterbury, Margate, Ramsgate, Walsall, Birmingham, Sidcup, Dover, Ashford, Folkestone, Grimsby, Leicester, Doncaster, Macclesfield and Rotherham.

was unlikely to be considered by the Commission if legislation to phase out the beds was already before Parliament.

The Government has not yet chosen a chairman for the Commission, but plans to announce its membership as quickly as possible.

In the meantime, industrial action by junior doctors in support of better overtime pay is spreading and yesterday affected 80 hospitals mainly in the North-West and the South, including Ave in the London area.

Some 2,000 of the country's 15,000 junior hospital doctors are estimated to have joined the "emergency cases only" bandwagon, without waiting for the national ballot on industrial action later this month.

As a result, hundreds of outpatient appointments had to be cancelled and new admissions delayed in the hospitals affected. At the Middlesex Hospital in London, 200 junior doctors treat-

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Editorial comment, Page 15

ing emergencies only for 24 hours put out a 60ft. banner made from operating smocks with the message "end dictatorship, sack Mrs. Castle."

In the North-West, still by far the most militant region, 41 out of 51 major hospitals are treating only emergencies for an indefinite period. At three Stockport hospitals, junior doctors staged a full-scale 24-hours strike, with consultants treating emergency cases.

Health authorities so far refuse to talk of a crisis situation, but admit that treatment of any but emergency patients could be seriously affected and waiting lists could be swelled to alarming proportions if the dispute continues to escalate.

Priority

Dr. Derek Stevenson, secretary of the British Medical Association, said last night that he hoped the issue would be one of priority for the Commission, or the subject of an interim report, while the Prime Minister, in answers to questions yesterday, did not rule out the latter possibility.

The Commission, Mr. Wilson said, would be free to consider "important questions touching on the borderline between private practice, and on the possibility of a continuing contribution which we expect and want private practice to make."

It could also consider the issue of agency nurses, who are at present scheduled to be phased out of the health service.

However, the pay beds issue, it was maintained in Whitehall,

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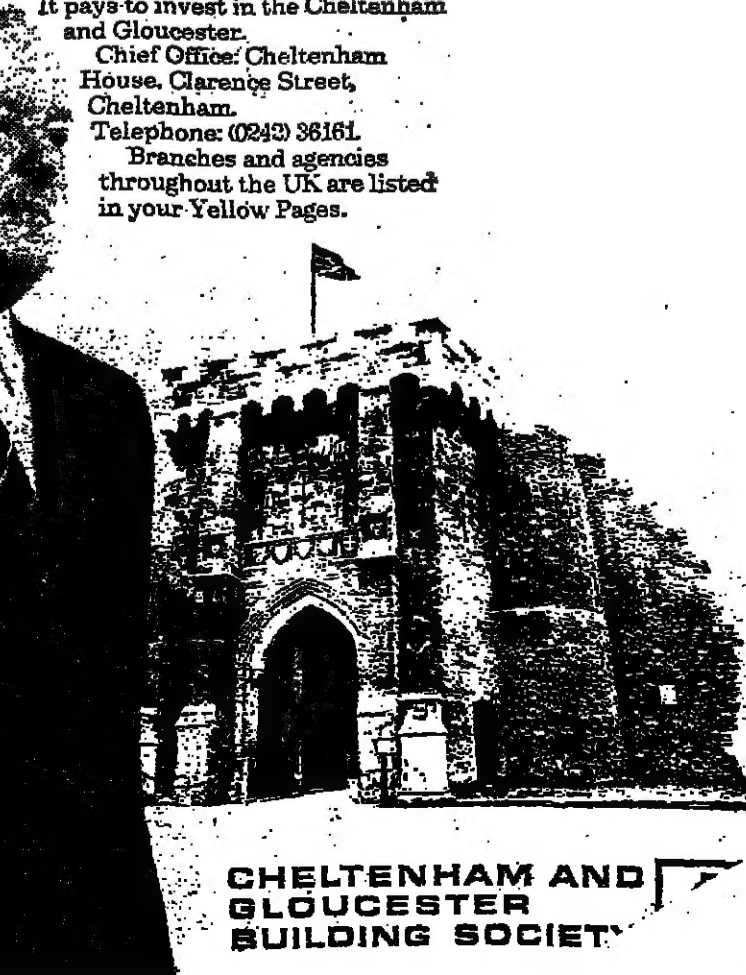
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2
LOMBARD

Oil deficit—the wrong 'solution'

BY C. GORDON TETHER

THE SUCCESS that some of the leading industrialised countries have had in eliminating the considerable external payments deficits they developed in the wake of the late-1973 oil price explosion has received a good deal of publicity in recent weeks. What has attracted much less attention is the fact that, for the group as a whole, the relationship between visible exports and imports is now actually more favourable than it was before they had to accommodate the big jump in the cost of foreign fuel.

And this is a development with a global significance that could hardly be overstated. For what it means is that the whole of the international burden arising from the oil countries' surplus is being borne by medium and light-weight affluent States and the Third World—a situation that obviously cannot endure for more than a few months.

Over the first nine months of 1975, when Middle East oil was still costing no more than about \$21 a barrel, the visible exports of the fourteen principal industrialised countries were showing a shortfall against visible imports of the order of \$10bn. In annual terms, this meant that the step rise in expenditure on oil setting imports bounding ahead, the gap shot up to over \$50bn.

Decisively

In the closing months of last year, however, this process went into full reverse. So decisively, indeed, that IMF statistics for the second quarter of this year show that the gap was then running no higher than \$2.5bn. on an annual rate basis.

Remembering that the general rise in the price of goods entering international trade will have boosted the visible earnings of many of its members this reveals why quite a number of them have recently been demonstrating that they can now cope with the backwash of the oil price explosion and add to external reserves.

Now is this dramatic turnaround—it involves the elimination of a \$50bn. plus exports-imports gap within no more than a year—to be explained? As has been widely pointed out, part of the answer lies in the fact that the oil countries' surplus has come back quite a way from the spectacular levels it reached in the immediate wake of the 1973 rise in prices. During 1975 to date, oil countries' exports have been running well below the 1974 level of \$138bn. And the impact of this on their surplus has been

reinforced by the growth of their spendings on imports. Many of the industrialised heavy-weight have also derived considerable benefit from the powerful boost given to their exports in dollar terms by revaluation of their currencies. What is more, because their behaviour of their imports and exports is particularly sensitive to variations in the economic climate at home and abroad, the outward march of the world recession has produced major changes of trend—under these headings. In the second quarter of this year, the group's exports were running \$3bn. beyond the levels for a year earlier in annual rate terms. Over the same period, the imports' rate recorded a drop of \$12bn.

No worry

It must also be recognised that, for quite a number of affluent heavyweights—including the U.S. and Canada—the increase in imports arising from the rise in oil prices has been more than offset by the boost which exports have derived from the hardly less spectacular advances in the prices of other commodities.

While there are one or two exceptions, it is true to say that, for the principal industrialised countries as a whole, the oil price explosion has ceased to be a worry in the balance of payments sense. It is almost as if it had never happened. It will be recalled that, when they were drawing up a joint approach to the problem of the newly-emerged collective oil deficit two years ago, it was accepted that countries which attempted to eliminate their share of the burden during the ensuing five years or so would just be off-loading it on to others. The argument will have been deprived of its force in the interim only to the extent that the oil gap has been reduced in size by improvements in the exports-imports relationship between the industrialised world and the oil-producing countries themselves. So it is far from being a matter for industrial countries to have got back into the black years ahead of schedule. For their "success" has been achieved largely at the expense of the weaker countries of the world.

There has been a tendency to interpret the comparative calm at present characterising the international monetary scene as an indication that the work of getting the world's economy back on an even keel is now well under way. A closer look might appear to indicate that it hasn't even started.

SALEROOM

BY ANTONY THORNCROFT

Phillips stand brings results

PHILLIPS, the third in size after Sotheby's and Christie's among the London salerooms, is obviously beginning to follow from its decision not to follow the other majors in introducing a 10 per cent premium on top of a buyer's successful bid. Yesterday it held a picture sale in its history—\$206,000—with a top price of \$38,000, also a new record for the saleroom. The vendor specifically chose Phillips for the disposal of this picture because it did not charge the premium.

The work in question was a 17th century Dutch seascape by Jan van de Capelle of a Royal yacht in harbour. It was bought by David Koster, an international dealer specialising in Dutch pictures, and the price was near the top end of its pre-sale estimate, despite the fact that the painting is not in the best of conditions. Other good prices for the \$14,000 (above forecast) from D'Ottavio of the Flight into Egypt, and the \$3,400 (more than double the forecast) for a 19th century floral still life by Jan Breughel the Elder.

The main interest at Christie's was centred on a marquee

situated in the grounds of Swinton House at Masham in north Yorkshire. The saleroom was disposing of furniture, silver, and porcelain from the home of the Earl of Swinton. The sale continues to-day with an auction of pictures and books.

As often happens at these country house sales dealers were there in force—both local, London, and continental—and the first day total of £178,188 was well above forecast. The feature of the morning furniture, which realised £121,108, was a roccoco walnut and marquetry bureau cabinet, made around 1760, by Kilian Bender, a German dealer, for £27,300, the highest price ever paid at auction for an item of German marquetry furniture.

Other good prices were the \$3,500 for an Anglo-Dutch dealer, Stodol for a marquetry bombe commode in Louis XV style, made around 1780 in the Low Countries, and the \$3,250 he gave for a similar commode. The same price was paid by a German dealer, Koppel, for a small Milanese commode from the workshop of Giuseppe Maggiolini.

In the afternoon Hubner bid

\$9,975 for a large Meissen dinner service. Other interesting prices were the \$3,780 for a private buyer for a bronze head of Albert Einstein by Sir Jacob Epstein (forecast \$2,000-\$3,000), and the \$255 given for four pairs of faded crimson velvet curtains. These are interesting because they were woven in the last century at Lord Masham's Bradford mills and sold well above their £100-£200 forecast, stressing the strong demand for local items when the contents of a Big House are scattered.

In London Christie's sale of Continental porcelain made £21,285, with a top price of \$3,360, paid for a Meissen figure of Frederick the Great, dog modelled by Kandler. This was above forecast, but the same price, paid by the Antique Porcelain Company for a pair of Meissen monkeys also by Kandler, was below target.

Despite all the excitement elsewhere, there was a very good auction at Sotheby's which brought in £138,036 from disposing of scientific instruments, watches, and clocks. An ebony quarter repeating bracket clock by Thomas Tompion went for £10,000 (just below forecast) while a small long case clock by Joseph Knibb was within its forecast at \$8,500.

RACING

By DARE WIGAN

Long Row a confident choice

FEW, I imagine, will look farther than Long Row when contemplating the Rookery Handicap (3.10), the most valuable race in today's programme at Sandown. Admittedly, Ryan Jarvis' brown horse has 9 lb. to carry, but he is accustomed to big weights, as, for example, when he carried 10 st. into fourth place behind The Hertford, Pottery and Aqueduct at Ascot on September 28, since when Aqueduct has won a competitive race, also at Ascot. Indeed, Long Row is a confident selection.

A head separated inventory and Great Birnam when they finished 4th and 5th respectively behind Athens Moss over 11 miles at Newmarket at the beginning of the month, and the two met again in the Coober Handicap (4.10) run over the same distance, with inventory having an advantage of 1 lb.

Great Birnam, who has to be held for a late run, was making ground hand over fist in the closing stages that day and the still uphill finish at Sandown is calculated to suit him. I think that he will reverse the placings with inventory and win.

Earlier in the afternoon, Kellystown may obtain reward for honest endeavour by taking the Heather Maiden Plate (2.00)

—an assessment that may also apply to Tuscan Tune in the Mire Stakes (2.35). Towmire, whoaped with promise behind Sarong at Newmarket at the beginning of the month, is suggested.

SANDOWN
2.00—Kellystown
2.35—Tuscan Tune
3.10—Long Row
3.40—Towmire
4.10—Great Birnam
4.45—Honey Blossom

LEICESTER
3.15—Rustigo
4.45—Breathtaking Exercise
4.15—Ramplax

CREPSTON
2.15—Tour de Force
3.15—Miss Beacon
3.45—Pascuete

gested for the Leatherhead Plate (3.40), and Honey Blossom is a logical selection for the Wey Nursery Handicap (4.45).

For the best bet of the day I go to Leicester, where I shall be surprised if Rustigo is beaten in the Wymerwood Nursery Handicap (4.15). This colt, by Fell Mell, whom Jeremy Tree trains for Miss Monica Sheriffe, caught a Tartar in Kala Shikari at the Newmarket October 1 meeting, for Kala Shikari

Another with a good chance at Leicester is Rustigo, who appears to be reasonably well matched to the 8 lb. in the Stewards Handicap (3.15).

Richard Head saddles his good hurdler, Miss Boom, in the Black Cat Handicap (3.15) at Chesham, and provided that she reproduces form shown when runner-up to Amber Sun at Bath on September 22, she will require some beating.

She finished a head in front of Modom that day, and bearing in mind that she had not seen a racecourse for several months she is likely to have derived more benefit from the outing than Wightman's filly, who has had a busy season.

Two other possible winners at Chesham are Tour de Force, who has been in good form in light, with 8 st. 2 lb. in the Horsaes Apprentices Handicap (2.15), and Pascuete, a full brother to Cry of Truth, who ran on with the utmost gallantry to hold off the sustained challenge of Handa at Lingfield the other day, in the Clover Plate (3.45).

WINE

A reassuring vintage

BY EDMUND PENNING-ROWSELL

AT LAST Bordeaux has had the vintage it needed: good in doing so. Compared with the quality derives from an exceptionally fine summer, though rain in the pre-vintage weeks brought a threat of a recurrence of the break in the weather in mid-September 1973 which sadly reduced the quality of that vintage. Fortunately, the good weather returned, partially in the latter part of the picking which began about September 22, a little earlier than in recent years, and finished in the red wine districts by the 11th of this month.

Some damage

In the latter afternoon of September 28, an exceptionally severe hailstorm swept across the middle of the Médoc and caused the Gironde to cause some damage in Bourdeaux and Blaye, but as usual outside reports exaggerated the effect on the Médoc vintage. Certainly it was catastrophic in the narrow belt of the Gironde, Arcins and Lamarque—and I have never seen such an extent of brown, burnt-looking vines as stretched across the flat landscape north of Margaux, but neither that commune, nor St-Julien or Pauillac further up the Médoc was touched; and some at least of the Moulis wines may have been saved.

The small amount made—about 40 per cent less than last year's very large crop of red wine—was inevitable after extensive spring frosts in late March, followed by an uneven vine flowering and an exceptionally hot, dry July that inhibited the grapes from swelling. The rains later could not correct this, and the grapes arriving at the chais were small, though very healthy and with little or no rot.

The grapes particularly damaged by frost were the Merlots, which bud earlier than the Cabernets Sauvignon and Franc. This could be a significant factor in the development of the vintage, for the Merlot produces a softer, more quickly-maturing wine than the Cabernets; so a deficiency of Merlot could disturb the balance of the wines in those estates where it is prominent, and result in a rather hard, slow-maturing wine with a good deal of tannin from skins thickened by the summer heat.

On the whole, the Médoc is Cabernet country, and a shortage of Merlot may be adjusted to some extent by careful blending, while in St. Emilion and Pomerol, where the Merlot is much planted, the result will be smaller output.

Although far too early to esti-

mate the quality of the 75 reds, this has not prevented many from doing so. Compared with the quality derives from an exceptionally fine summer, though rain in the pre-vintage weeks brought a threat of a recurrence of the break in the weather in mid-September 1973 which sadly reduced the quality of that vintage. Fortunately, the good weather returned, partially in the latter part of the picking which began about September 22, a little earlier than in recent years, and finished in the red wine districts by the 11th of this month.

The most optimistic prophecy is a similarity with the exceptional '61, but the weather pattern this year makes this unlikely. Moreover while the red wine crop is small, with an estimated total of 1.4m. hl. of AC wine, compared with 2.2m. hl. last year, the '61, after an exceptionally hot, dry summer with scarcely any rain, amounted only to 55m. hl.—the smallest of any good vintage in the last 30 years. This year the rainfall in August and September actually exceeded the average, but fortunately was confined to a few days. Nevertheless, there is no doubt that 1975 will rate a place in the claret canon and, after three vintages of moderate quality, one that consumers will enjoy. This includes Sauternes too, for an exceptional vintage seems to be assured after so many disappointments in the past decade.

No premature rush

However, it is profoundly to be hoped that there will be no premature rush to sell or orders to buy the 75s. It may be more difficult for growers, short of cash, to hold back than for their customers right down the line to the consumer, as none is in a position to finance the vintage by buying en primeur.

More than one leading Bordeaux merchant told me that they did not propose to buy the 75s until in bottle some two years hence. For very large stocks of 73s and 74s remain available to say nothing of earlier vintages. Estimates given suggested that 70 per cent of the 73 vintage remained at the property or in Bordeaux, and that to date the classed-growers had only sold about one-sixth of their 73s.

Surely, too, any would-be speculators outside the trade must have learnt the lesson of the "investment-in-wine" bubble that burst only two years ago. What is vitally needed for Bordeaux is a controlled disposal of surplus stocks and a return to ordered, profitable trading in which all parties from grower to consumer, know where they stand on a fair scale of prices. Towards this, the French Government has just provided a modest loan to its growers' interest on their bank loans, in return for an assurance not to unload their stocks

on to an already brimming market.

How effective this will be for the many thousands of small growers producing only generally wines is doubtful, but it is a first step in the right direction of trying to regulate the flow of wine on to a market already saturated first by the excessively high prices of even basic AC wines, and later by the large 73 and 74 vintages.

However there are signs of business picking up in Bordeaux. The home market shows a decided improvement, some Bordeaux shippers are at least replacing stock sold, and the price of basic Bordeaux Rouge—the market indicator for over half the total Gironde production—has been rising sharply since July. For not only has Bordeaux had a good vintage but a much more successful one than elsewhere in France. Then, with a classed-growers and wider bourgeois wines down to consumable price levels, they are being bought by French drinkers, and also by customers in Belgium and Holland.

It is noteworthy also that two at least of the first-growers have found some market for their 74s. Both Mouton-Rothschild and Latour have sold about half their production at Frs.20,000, and \$12,500 per tonne (98 cwt. bottles) respectively. If the prices are but a fraction of the Frs.120,000 demanded for their 71s, and credit terms are generous, at least the wines are on the move.

Unfortunately, no recovery as yet can be accurately charted among Bordeaux's two most important fine wine customers: the U.K. and U.S. Exports to both countries showed a sharp drop in the wine year ended in August. In part this is the result of large stocks in the hands of British and American companies. One firm is said to hold in Bordeaux 270,000 cases of 70s, 72s; another has 200,000 cases.

Very agreeable

With first-grow 70s and 71s being sold off in New York at \$12,515 and seconds at \$8,850, and a swarm of special offers here, there is not much incentive to buy more recent vintages of less assured quality—although many 73s I tasted in Bordeaux will make very agreeable light drinking within the next five years.

One good vintage does not make a Bordeaux summer, and it will be some time before conditions again become normal and regulated in an economically disturbed Western world, but at least a current can now be discerned in the hitherto stagnant Gironde wine lake.

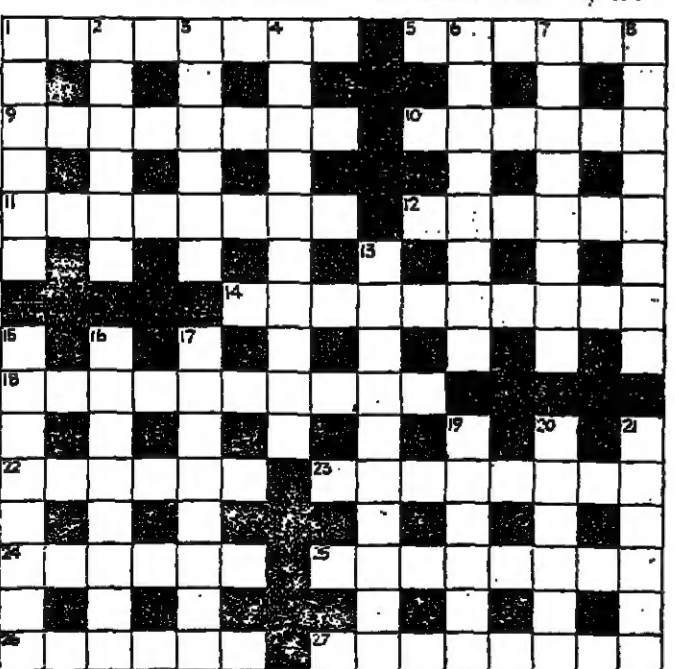
Radio

+ Indicates programme in black and white.

BBC 1

8.55 a.m. For Schools. Colleges. 12.50 p.m. Bigdowncar: Children's magazine. 12.55 News. 1.00 Peppie Mill. 1.45 Barnaby. 2.02 For Schools. Colleges. 4.00 Play School. 4.25 Deputy Dawd. 4.30 Jackanory. 4.45 Animal Magic. 5.15 John Craven's Newsround. 5.45 The Record Breakers. 5.40 The Wombles. 8.45 News. 8.50 Nationwide.

F.T. CROSSWORD PUZZLE No. 2911



ACROSS
1 Assiduous, albeit crude (8)
5 The old state of some in South Africa (6)
9 The Turks turn to Tom with a short reply (8)
10 He is always one among her messengers (6)
11 Fruit rests for coifers (8)
12 To court study may make us insensible (6)
14 The patient had a meal—make nothing of it (10)
15 "And art made — by authority" (Shakespeare) (6-4)
16 Peep get round to assist a young girl (6)
18 Rush to the President in Kent (8)
24 Numa's confidante (6)
25 Places the French come among his heirs (8)
26 All the Bible portion is found in Ireland (6)
27 The impudent fellow has not been up a year (8)

DOWN
1 A figure of speech takes you in the company (6)
2 The cost of song coming from abroad (6)
3 Decoration that glitters but is not gold (6)
4 Food provided by redheads (6-4)
6 The place for a pierrot in Africa (8)

16.55 Tarzan. 8.05 Oil Strike North. 9.00 News. 9.25 Play for To-day. 10.20 To-night. 11.10 Never Fear of Paradise. 11.35 Weather/Regional News. All Regions as BBC 1 except at the following times:—
Wales—8.40-9.00 p.m. For Schools in Wales. 6.00-6.35 Wales To-day. 6.55-7.15 Heddiw. 7.15-7.40 Pen Draw'r Byd. 7.40-8.05 To-morrow's News. 11.10-11.35 Deuch 1 Star. 11.35 News. Scotland—6.00-6.35 p.m. Report.

BBC 2

6.40 a.m. Open University. 11.00 Play School. 3.00 p.m. Parents and Children. 3.20 The Do-It-Yourself Film. Animation Show. 5.00 Open University. 6.40 Ensemble. 7.05 Open University. 7.20 Newsday. 7.50 The Book Programme—Robert Robinson introduces a weekly look at hard and paperback; Prof. Richard Hoggart and James Burke talk about their own choices of recently published books. 8.15 Floodlit Rugby League: BBC 2 Trophy—New Hunslet v Leeds. 9.00 Tuesday Cinema: "Wedding Bells," starring Fred Astaire, Jane Powell, Peter Lawford, Sarah Churchill. 10.20 The Old Grey Whistle Test. 11.10 Newsnight. 11.55 Julian Glover reads "Famous Poet" by Ted Hughes.

LONDON

9.20 a.m. Schools Programmes. 12.00 Paperplay. 12.10 p.m. Rainbow. 12.15 Regional Playways. 1.00 First Report. 1.50 Lunch-Time To-day. 1.50 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Couples. 2.50 Mid-week Racing from Sandown Park, covering the 3.15 and 3.40. 3.55 General Hospital.

RADIO 1

6.30 a.m. News. 8.30 a.m. News. 9.30 a.m. News. 10.30 a.m. News. 11.30 a.m. News. 12.30 p.m. News. 1.30 p.m. News. 2.30 p.m. News. 3.30 p.m. News. 4.30 p.m. News. 5.30 p.m. News. 6.30 p.m. News. 7.30 p.m. News. 8.30 p.m. News. 9.30 p.m. News. 10.30 p.m. News. 11.30 p.m. News. 12.30 a.m. News.

ing Scotland. 11.10-11.40 The Scottish House. 11.40 Scottish News Summary. Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 4.00-4.15 Northern Ireland News. 4.15-4.30 Northern Ireland News Headlines. England—6.00-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University. 11.00 Play School. 3.00 p.m. Parents and Children. 3.20 The Do-It-Yourself Film. Animation Show. 5.00 Open University. 6.40 Ensemble. 7.05 Open University. 7.20 Newsday. 7.50 The Book Programme—Robert Robinson introduces a weekly look at hard and paperback; Prof. Richard Hoggart and James Burke talk about their own choices of recently published books. 8.15 Floodlit Rugby League: BBC 2 Trophy—New Hunslet v Leeds. 9.00 Tuesday Cinema: "Wedding Bells," starring Fred Astaire, Jane Powell, Peter Lawford, Sarah Churchill. 10.20 The Old Grey Whistle Test. 11.10 Newsnight. 11.55 Julian Glover reads "Famous Poet" by Ted Hughes.

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4.25 Look Alive. 4.50 Magpie. 5.20 The Ghost and Mrs. Muir. 5.50 News from ITN. 6.50 To-day. 7.50 Newsday. 8.50 Tuesday Star Movie: "Shades of Green." 9.00 News. 10.30 The Dale That Died: Gribledale. 11.30 His Face Is Familiar—Doris Day's "The Day After Tomorrow." 12.00 Books and Belief: John Barton talks to Fr. Michael J. Evans, S.J., about the religious aspects of Graham Greene's work.

ATV MIDLANDS

1.20 a.m. ATV Newsday. 1.50 a.m. ATV Newsday. 2.20 a.m. ATV Newsday. 2.50 a.m. ATV Newsday. 3.20 a.m. ATV Newsday. 3.50 a.m. ATV Newsday. 4.20 a.m. ATV Newsday. 4.50 a.m. ATV Newsday. 5.20 a.m. ATV Newsday. 5.50 a.m. ATV Newsday. 6.20 a.m. ATV Newsday. 6.50 a.m. ATV Newsday. 7.20 a.m. ATV Newsday. 7.50 a.m. ATV Newsday. 8.20 a.m. ATV Newsday. 8.50 a.m. ATV Newsday. 9.20 a.m. ATV Newsday. 9.50 a.m. ATV Newsday. 10.20 a.m. ATV Newsday. 10.50 a.m. ATV Newsday. 11.20 a.m. ATV Newsday. 11.50 a.m. ATV Newsday. 12.20 a.m. ATV Newsday. 12.50 a.m. ATV Newsday.

CHANNEL

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CRANADA

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POSITION	INITIAL	DATE
MANAGING DIRECTOR	BER	MON. 5TH.
FINANCE DIRECTOR	JEF	MON. 5TH.
SALES DIRECTOR	ST	Tue. 6th.
COMPANY SECRETARY	V.W.	6/9/75
MARKETING MANAGER	R.B.	Wed. 7th.
CHIEF BUYER	B.D.	Thurs. 8th.
PERSONNEL OFFICER		FRI. 9th.

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In these competitive times everyone in business needs the Financial Times

مكتبة الامم المتحدة

Henri Gaudier-Brzeska and Charles Mahoney

by WILLIAM PACKER

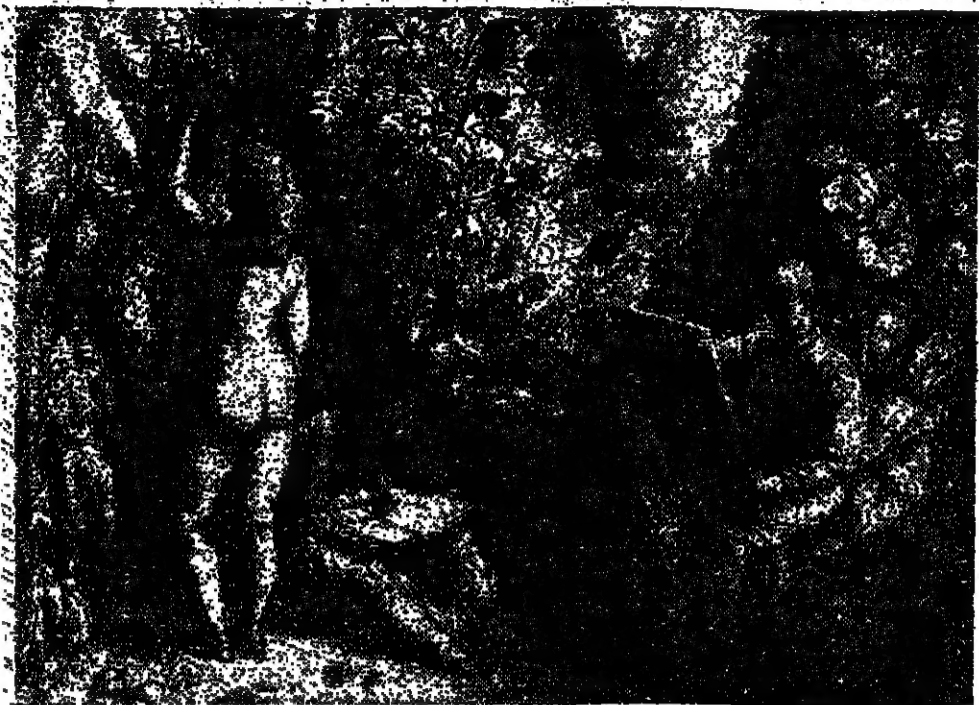
wing, the business of exchanging ideas on paper, collecting information, making beautiful marks, may be allised so variously that anything goes. A drawing, whether pushed, pulled, or scraped, is a drawing. And so it is to see the evidence of the mind of the artist is at so we are led to believe, actively seek out the unity. Thus we come to the crude and the inept, certain frequency, and meekly kneeling upon our And where an artist of reputation is concerned, we find into something dan-

gerously close to autograph hunting, with every scribble and studio cropping scrupulously preserved and mounted. And yet the risk is worth taking, for drawings can be wonderful things, covetable for their own sakes, besides offering us a view of the processes and mechanics of making art; the fascination of its resolution into form and order. Here lies the paradox, for a drawing well may fail as a finite autonomous object, and yet still be valuable, useful to the artist and enlightening to us, and curiously beautiful in consequence. The work of Henri Gaudier-Brzeska embodies all these contradictions, and more, for his reputation has been bedevilled

The Entertainment Guide is on Page 10

make the distinction clear, and are themselves as much a function of his way of working, all or nothing, as the successes; which was just the case, with Picasso in certain moods. Sculpture is necessarily more considered. This intriguing show remains open until mid-November.

Altogether the opposite, in attitude and manner, with no pyrotechnics at all, is to be seen at the Parkin Gallery until October 25, and then at the Ashmolean Museum, throughout November. Charles Mahoney died eight years ago, largely unknown except by his pupils and colleagues, one of those minor heroes of English Art whose work comes as a surprise and a pleasure. The drawings in this show are conscientious, and single-minded, records of a close and repeated examination of the natural world, particularly plants and the human figure. These elements he brought together in works that are in the direct line of the English Pre-Raphaelite tradition, romantic, richly and densely worked, and frankly decorative. And they are so well made. The oil paintings are straightforwardly academic, sound but rather less personal, and a little dull.



Charles Mahoney: The Inspiration of an Artist

Berio's birthday

by DOMINIC GILL

Friday, the London Sinfonietta celebrated Luciano Berio's 50th birthday with a programme of his music, which the orchestra conducted. It was inevitably so way in the programme to provide a sensitive, "representative" Berio's is an exceptional, uneven and varied of more than 75 publications, and the forces Sinfonietta's disposal will be clear limits to their It was just a little sad that the birthday did not include any very best works - minor pieces like Epifanie, Laboramus II or Sinfonietta I or Circles, nor the (so far, eight) in their pure, unadorned form: nor even the programme did include performances of the beautiful, 15-minute in homophonic, string textures, *Sinfonietta* (1964) or hear this again, and more afterwards on tape, it still more rewarding.

An important, substantial, post-war contribution to the genre. The early *Concerti* (1955-59), on the other hand, have never found a particularly beguiling work - nor did again on this occasion: long, bumpy, elaborate, fascinating as a technical thesis, far less convincing as a finished, rounded musical statement. Wider physical separation of the soloists could maybe have added a keener cutting edge. I was not wholly persuaded either that the recent *Chimera IV*, which could be called, for once properly, an "extended" sequence VII for oboe and instrument - was much more than a pretty, but essentially (in musical terms) unnecessary embellishment.

The new piece of the evening, "points on a curve to find" for solo piano and 22 instruments, was nice - broad gestures, imaginative instrumental combinations, a swirling keyboard perpetuum mobile, a little reminiscent of the viola *Sequenza*, just a quarter-of-an-hour long. The American Anthony di Bonaventura, was the dedicatee and the effective, steel-daggered soloist. Nice though hardly substantial. But the finale of *Folk Songs* with Cathy Berberian quickly put such dull thoughts out of mind. A marvellous performance; who else, at the end of an evening of "contemporary music," could leave us so happy, so satiated and crying for more!

Festival Hall

Berg violin concerto

Sunday's performance of a 20th-century masterpiece still capable of unseating the Festival Hall, even on a Sunday (imagine a room at the Tate emptied by the presence of a Picasso or a Braque!) inspired a rare meeting of sympathies. The careful, complex working and structural definition of the concerto have not been in the past to take a cool, even a stately view of the music, placing technical competence before emotional commitment.

Kyung-Wha Chung, soloist with the New Philharmonia, under Kurt Sanderling, is no violinist about whose technical prowess doubts need be raised (on the contrary - the mastery of abundant difficulties was breathtaking). To the forefront in her

interpretation, however, was a capacity to embrace with fullest warmth, delicacy and tenderness the emotional ripeness of the music, to respond on every level to its many layers of feeling - joy, pain, nostalgia, grief, consolation and all the other interwoven strands that so enrich Berg's handling of concerto form. Nothing was more moving, nor truer to the spirit of the music, than the transfigured beauty of tone Miss Chung found for the final, ethereal pages - the *In Paradisum*, of a great instrumental Requiem.

Open Space

The National Theatre

David Edgar's lunchtime play is not a paean of praise for our "theatre for the nation" currently under construction on the South Bank; nor is it really a tribute to the plethora of farces and revivals which annually attract tourists and their money to our shores. Rather, it is a clever and very entertaining extended metaphor of showbiz exploitation and the sort of hypocritical cant beloved of our public representatives whenever they are afforded the space and time to praise our theatre and its value as a "national asset" in these depressed times. We are backstage in a Soba strip joint, in the company of three girls, compelled, for different reasons, to flaunt their

fresh for the delight, as one of them says, of voyeurs en route from the Tower to the Aldwych. Ella (Katherine Schofield) is a co-operative graduate from RADA who, in between donning her leather gear and giving the stage technician short shrift, mumbles an audition speech from *The Tower Sisters*, Marie (Lynda Marchant) is an ebullient performer resigned to this life, and convinced by the oily justifications offered for it by the spiv producer, while Eileen (Lindsay Ingram) needs to satiate her instinct for work (any work) despite living with her husband in a Twickenham mansion. The producer (Robert Oates) delivers himself of production notes just before the show. "Give them most of what you've

got the best of" - and laments the national malaise of idleness in these troubled times. Averaging that we should all pull together, he suddenly flies into a blind rage when he discovers that Eileen's body is covered in bruises, colours she has won in the marriage bed. The play briefly and economically relates the world of the strip show to the entertainment world as a whole; and the "unreality" of the legitimate theatre is poignantly expressed by Ella in an account of a visit to the Old Vic where a well-heeled audience sat and applauded the apocalyptic conclusion of *Heartbreak House*. The director of this impressive little interlude is Peter Stevenson.

MICHAEL COVENEY

New York Theatre

When will the season begin?

by GEORGE OPPENHEIMER

Seldom has a season begun so laggardly and with so many bad omens. What promised to be as good a season as last has so far broken its promise resoundingly. Whether that can be redeemed remains to be seen. At the moment, however, we are still at the mercy of a musicians' strike that has closed down all existing musicals and kept several others that were about to open from doing so.

Now Joseph Papp's projected series of new American plays at the Booth Theatre has met with setbacks. One play, *The Left People* by Dennis J. Reardon that was supposed to open early in October, has been postponed for additional rewrites and there is a rumour that one or more of Papp's productions are in trouble.

The season opened with a revival of Thornton Wilder's *The Skin of Our Teeth* with Alfred Drake, Martha Scott and Elizabeth Ashley in the leading roles of Mr. and Mrs. Antrobus and their maid, Sabina. Sabina starts off the proceedings by stating flatly that she doesn't like the play and, what's more, doesn't understand it. The critics took their cue from this speech and proceeded to give it a drubbing. I was not with them. For me, Wilder's philosophical comedy that depicts the misadventures of an American family through the ice Age, through extramarital goings-on, through the Flood and through a war, escaping extinction by the skin of their teeth, has always seemed to me an entertaining and significant statement of Wilder's humane faith in the human race. However, I was lonely in my opinion and the play closed rapidly.

Then came a second revival, Eugene O'Neill's *Ah, Wilderness!* the only comedy he ever wrote. This, happily, seems to be prospering although it is only being given for a limited engagement. It is, more or less, what O'Neill would have liked his boyhood to be, the true picture being contained in the grim but admirable *Long Day's Journey Into Night*. Both plays take place in New London where O'Neill spent the greater part of his youth.

There is little plot, merely the action of a young boy going through the pangs of adolescence. The play is a masterpiece of understatement, a masterpiece of understatement, a masterpiece of understatement. The second half of the play was devoted to selections from the Spanish and Italian Song books. *Geliebter, geliebter* from the former book, has long been one of the singer's most inspired interpretations; it now strains her resources to their utmost, and must make painful listening to anyone who heard her sing the song at the height of her vocal bloom. True, *der Liebe*, on the other hand, conceded nothing to the ravages of time, being perfectly sustained by mood and subtly varied in expression.

The settings from the Italian Songbook were greatly appreciated by a large, predominantly youthful audience. Personally I find Elizabeth Schwarzkopf's manner in these songs too self-conscious, and she now exaggerates the comic element even more than formerly. The soprano was in much better form. Gypsyland suffered from contorted enunciation and Phaedra from a lack of simplicity, but both songs were confidently attacked, the line drawn smoothly, the words floated on an ample stream of tone. Phaedra was an example of the Schwarzkopf artistry at its finest, the text pointed without over-emphasis, the melody shaped with exquisite delicacy and charm.

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The settings from the Italian Songbook were greatly appreciated by a large, predominantly youthful audience. Personally I find Elizabeth Schwarzkopf's manner in these songs too self-conscious, and she now exaggerates the comic element even more than formerly. The soprano was in much better form. Gypsyland suffered from contorted enunciation and Phaedra from a lack of simplicity, but both songs were confidently attacked, the line drawn smoothly, the words floated on an ample stream of tone. Phaedra was an example of the Schwarzkopf artistry at its finest, the text pointed without over-emphasis, the melody shaped with exquisite delicacy and charm.

his parents and Teresa Wright as his maiden aunt.

My major complaint with the production, under the deft direction of Arvin Brown of the New Haven Long Wharf Theater where the revival had its start, is the stage of the Circle in the Square, far better suited for a track meet than a show. It is an arena stage and so lengthy that faces are practically invisible when the actors gather at the far end and words almost inaudible. I went down to Washington for a third revival, William Inge's *Picnic*, somewhat rewritten by Inge before his death, and restaged beautifully by Michael Montel. The stars of the occasion were Alexis Smith as the miserly schoolteacher, Ian Martin as the mother and a new comer, Ernest Thompson, as the young stud who comes to the small town and creates havoc. In fact the whole company was first-rate and the play is as true and moving as it ever was. There is talk of bringing it to New York.

Last and best is a musical in the midst of the musicians' strike. John Houseman's *Acting Company*, happily, had a contract with the musicians that has not yet terminated. As a result he was able to start his season with *The Robber Bridegroom*, based on a novella by Eudora Welty and a thoroughly joyful occasion it is. Gerald Freedman, had staged this fairy tale of the Deep South with consummate skill and imagination and Alfred Uby in his book and lyrics and Robert Waldman in his music have combined to make this fresh and comical musical into a romp. It is laid in legendary Mississippi and concerns a personable, sexy robber who disrobes ladies and disenchants gentlemen (of their possessions) with equal skill and grace. The dances by Donald Saddler add to the fun, being mostly of the country square variety in keeping with the music.

Houseman's company consists largely of youngsters and they are better than any other group of actors in town. Outstanding in this production are Kevin Kline as the robber, Patti Lupone as the village belle whom he robs of her chastity, Mary Lou Rosato as her wicked stepmother and David Schramm as her loving father. Unfortunately, *The Robber Bridegroom* has a short stay, being in repertory with Marjorie Edwards II, Chekhov's *The Three Sisters* and Saroyan's *The Time of Your Life*.



Robin Askwith, Hugh Paddick, Frank Thornton and Sheila Hancock in Robert Patrick's new play, 'Play by Play', which opened last night at the King's Head, Upper Street, N.1

Drury Lane

Robert Merrill

by ELIZABETH FORBES

Robert Merrill's recital at Drury Lane on Sunday contained some enjoyable items, but they weren't always the pieces one had expected to enjoy. Thirty years is a goodish innings for a dramatic baritone and Mr. Merrill shows no signs of retiring, yet, neither from the opera house or the concert platform. His voice is still in astonishingly good condition, though some of the velvet that used to characterize the timbre has inevitably worn off. The opening group of 18th-century songs and arias was sung stiffly and unidiomatically. Mozart brought a gleam to the singer's eye and some animation into his voice, though it must be admitted that he did not make a very elegant Don Giovanni or a particularly subtle Figaro. Nelusko's invocation of Adamastor from *L'Africaine* (sung in the Italian) was delivered forthrightly, without much finesse, though an aria from *Zacch* suited Robert Merrill's style rather better, and the first half ended with a rousing account of *Nemico della patria* from *Andrea Chénier*.

The spirituals, and lighter numbers with which Mr. Merrill finished his recital provided the most satisfying and pleasurable singing of the evening. Entirely relaxed, his voice by now well warmed up, the baritone elegant Don Giovanni or a particularly subtle Figaro. Nelusko's invocation of Adamastor from *L'Africaine* (sung in the Italian) was delivered forthrightly, without much finesse, though an aria from *Zacch* suited Robert Merrill's style rather better, and the first half ended with a rousing account of *Nemico della patria* from *Andrea Chénier*. Renowned at the Metropolitan song we'll never walk alone.

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WORLD TRADE NEWS

Study into commercial banks in Guyana

By Our Own Correspondent

GEORGETOWN, Oct. 20.

THE FUTURE of foreign commercial banks in Guyana will be the subject of a study by the Bank of Guyana. The Government is expected to make an announcement on its future intentions when the country celebrates its tenth anniversary of independence.

At a function marking the Central Bank's tenth anniversary, Mr. Forbes Burnham, the Prime Minister, asked the institution to advise him how to make the operations of commercial banks in general related to the development thrust, and in particular whether the presence of foreign banks is consistent with that thrust.

"If it is consistent tell me how; if it is not advise me how to do and how to do it," he said.

The foreign banks are: Barclays, Royal Bank of Canada, Chase Manhattan, Bank of Nova Scotia and Bank of Montreal.

The Guyana National Co-operative Bank set up in 1970, is supposed to relate its operations more to the State-supported co-operative sector, but it has been competing directly with the foreign banks. Official policy so far has been against nationalisation, preferring instead "miniaturisation."

The rationale has been that since foreign banks mobilise national savings the only real asset to be nationalised would be buildings. However, with Mr. Burnham's leftward swing, ideology is playing an increasingly important role and nationalisation cannot be ruled out any longer.

Mr. Burnham also called on the Central Bank in its direction of credit to the productive sector not to overlook the co-operative sector, especially since Guyana was a co-operative republic.

Small business export awards

By Lorne Barling

SMALLER BUSINESSES whose export sales have increased substantially during the year are now invited to enter the national competition for the Export Award for Smaller Manufacturers.

The award is sponsored by the Government through the British Overseas Trade Board, British Airways which contributes prize holidays, the Association of British Chambers of Commerce, the Confederation of British Industry and the Association of Independent Businesses.

The Chamber, which administers the competition, admitted yesterday that response had been disappointing in recent years and it was hoped that more companies would enter, despite the rather stringent qualifying requirements.

"The prime intention of all the sponsors is to recognise and reward the vitally necessary contribution which our many, yet relatively unused, small businesses make to the economy," the chamber said.

The competition is open to any independent manufacturing company or group employing fewer than 200 people and whose exports exceeded £50,000 in the 12 months to March 31, 1977, and £100,000 in the following 12 months is eligible to enter, provided it has not won the award before.

EEC protests to-day before Anti-Dumping GATT committee

By DAVID EGLI

GENEVA, Oct. 20.

EUROPEAN COMMUNITY protests over anti-dumping hearings in the U.S. are expected to be rather subdued when the GATT Anti-Dumping Committee meets to-morrow.

The meeting was brought forward at the request of the Community, which wished to record its "grave concern" over the growing volume of investigations being conducted under the new U.S. Trade Act, and covering a wide range of European exports, including cars, special steels, flat glass and footwear.

One-fifth of EEC exports to the U.S. are believed to be involved in existing or pending investigations. At the time the GATT Council here agreed to bring forward the meeting of the Anti-Dumping Committee, it looked as though a potential clash over the hearings between the two major trading partners could have repercussions jeopardising the Tokyo Round of multilateral trade negotiations.

In the U.S. was then linking the two issues, and indirectly warning the Europeans not to take cover behind the convenient "protectionism" of others and abandon the overall goals of the trade talks.

Since then, however, Mr. Frederick Dent, the U.S. Special Trade Representative, appears to have had second thoughts. In an apparent about-face, he has issued a stern warning to U.S. industry that the growing volume of domestic complaints against foreign trade practices was threatening to disrupt the international trading system.

Perhaps more important, he suggested that the administration might delay and final ruling on demands for protection against small motor vehicles until November, 1978, or after the Presidential elections.

That, as well as the announcement of yet another "reasonable understanding" reached between the U.S. and the Community on how to continue discussions of agricultural issues here, are read as clear indications that the U.S. administration does not wish to get involved at this stage in a potentially dangerous slanging match with the Community.

This feeling is certainly reciprocated. There have been indications in the last few days that both sides felt the situation was getting slightly out of hand.

There is also the recognition on the Community side that, apart from lodging a formal protest in the Anti-Dumping Committee, as will be done to-morrow, there is very little more that can be done or threatened until the U.S. administration had actually taken action on one or other of the hearings in progress.

The Community now appears to recognise that the U.S. administration really is, on this issue, the prisoner of its own legislation.

Malta's visible trade gap again lower

By Our Own Correspondent

VALLETTA, Oct. 20.

MALTA'S VISIBLE trade gap continued its downward trend in the first half year, falling to £23.2m, a drop of £23.3m, below the 1974 level.

The improvement flowed from largely increased exports, which rose to £232.6m, against £225.5m. The import bill was unaltered at £245.8m.

Increased imports covered purchases of machinery and transport equipment and supplies to the industrial sector, mostly to beverage and tobacco companies. Consumer goods also rose by 12.5 per cent, to £135.5m. Most of the additional purchases were in response to a successful tourist industry.

Imports of raw materials declined sharply, largely because of smaller arrivals of synthetic rubber. Malta's fuel bill for the six months dropped £20.3m, to £186.3m. Food, chemicals and animal and vegetable oils and fats also fell.

Domestic exports and re-exports increased £4.1m, to £23.7m. Exports of mineral fuels, lubricants, food, beverages and tobacco now share 20 per cent of the island's aggregate exports.

Contracts Abroad

BROWN BOVERI is to supply, erect and commission high and medium voltage switchgear to a total value of £25.5m, to improve the power supply to Dobha, the capital of Qatar. Other recent orders include three from Saudi Arabian companies covering eight gas turbine sets worth £23.7m.

Polish officials are reported to have pressed for "most favoured nation" treatment for Hungarian exports. Mr. Morton spoke out in favour of granting such treatment, and said that an increasing number of U.S. Congressmen took the same view.

In contrast to trade with Poland, U.S.-Hungarian exchanges are still relatively modest. Last year Hungarian exports were only \$27m, and imports \$115m. Similar levels are likely to be reached this year. Although the U.S. share of total Hungarian imports rose from 1.5 per cent in 1970 to 2.3 per cent last year, there is scope for expansion. Firm products, glassware, pottery, etc., still account for about 85 per cent of the Hungarian exports to the U.S.

Mr. Morton felt that Hungarian-made precision instruments, pharmaceuticals and some textiles could find a market in the U.S.

Soviet trade with Bulgaria is scheduled to rise by 50 per cent to a combined total of \$200m, according to a protocol signed in Moscow by the chairman of the planning committee of the two countries. Mr. Kirilov, Bulgarian deputy premier, claimed that increased deliveries of Soviet coal, gas, oil and electrical energy would be an important guarantee to maintain the high and steady growth of the Bulgarian economy.

Mr. Kirilov, the Soviet deputy premier, said Bulgarian enterprises would participate in the development of Soviet oil and gas production capacities. There were at present some 12,000 Bulgarians working primarily in timber production and the Soviet Union, he added, and the latest agreement "may well involve considerable increase in the number of Bulgarians assigned to work on construction projects in the Soviet Union."

A BRITISH trade mission, which has completed its official programme in South Korea, is said to have sought a British liaison into the local arms industry, and has already received an encouraging response.

Mr. Derek Lambert, a director of Herbert Machine Tools, said two local arms manufacturing companies had entered into serious discussions with some of the 20 mission members for possible use of British engineering services in this field. He declined to disclose the details.

On other areas approached by the mission, Mr. Lambert said the result was so successful that "at least half of the members anticipated very good business deals in the near future."

Although still in its fledgling stage, South Korea's munitions industry seems to have good prospects following the recent legislation to raise the defence tax to finance arms purchases both at home and abroad.

"The Korean people," Mr. Lambert stated, "do not know about what the British can do in this field. Don't go only to the U.S."

India, Japan plan linked development

By K. K. Sharma

NEW DELHI, Oct. 20.

COLLABORATION BETWEEN India and Japan on a wide range of economic activity—from water management to participation in petrochemical projects in third countries—is considered possible by the two countries.

The matter was discussed recently in Tokyo by a committee set up for the purpose, and according to Mr. B. R. Bhagat, leader of the Indian delegation, the scope of the Indo-Japanese Committee on Studies in Economic Development has widened to cover political relations and co-operation in scientific programmes.

The Tokyo meeting identified 24 projects—also proposed by India and 15 by Japan—on which scientists of both countries could work. An example is metal corrosion.

The Japanese delegation was composed of senior economists and career diplomats, indicating the direction which Japan apparently wants to give to relations with India.

The impression gained by the Indian team is that Japan, engaged in a delicate balance of relations between the big powers, would like to expand and strengthen ties with India, which hitherto have been mostly on the commercial plane.

On political matters the two sides agreed that mutual co-operation and dialogue should substitute attempts at confrontation, according to Mr. Bhagat, who said the talks were "frank, friendly and forthright."

A particular area in which the Japanese are interested in helping India is rice cultivation. Their experience has led them to believe that water rice production could be doubled. That involves water management, seed development and fertiliser production. Japan is also interested in helping India to set up a steel plant and in going into partnership in third countries, especially the Middle East, where Japan is bidding for multi-billion dollar petrochemical projects.

Aluminium duty. The Indian government has reduced excise duties on aluminium to make it cheaper to use both in India and abroad. The levy on producers of aluminium for electrical use has been cut from 55 per cent to 50 per cent, and distribution controls on the metal have been lifted. Price controls have ended.

The government, it is to give positive encouragement to users of aluminium, and will take advantage of the growing stocks of the metal to grant much-needed foreign exchange. Details of an export incentive scheme for aluminium will be announced soon.

Jamaica to license imports from Caricom

By Our Own Correspondent

GEORGETOWN, Oct. 20.

JAMAICA HAS become the second Caribbean Community country, after Guyana, to place Caricom imports under its import licensing system to protect its balance of payments position and ensure effective monitoring of the import level.

Mr. Percival Patterson, the Jamaican Foreign Minister, said here that Caricom goods imported into Jamaica now require licences.

The move, he explained, did not mean that quantitative restrictions were being placed on Caricom goods. Jamaica would continue to honour its commitment to Caricom in spirit and in fact.

Imports of raw materials declined sharply, largely because of smaller arrivals of synthetic rubber. Malta's fuel bill for the six months dropped £20.3m, to £186.3m. Food, chemicals and animal and vegetable oils and fats also fell.

Domestic exports and re-exports increased £4.1m, to £23.7m. Exports of mineral fuels, lubricants, food, beverages and tobacco now share 20 per cent of the island's aggregate exports.

Hope for growth in Polish-U.S. trade to \$1bn. in 1976

By PAUL LENDYAI

VIENNA, Oct. 20.

AN EXPANSION of trade and co-operation is expected to be the result of the recent visit by Mr. Roger C. B. Morton, U.S. Secretary of Commerce, to Poland and Hungary. Mr. Morton said that two-way trade would rise from \$900m, to \$1bn. in 1976, and could be doubled to \$2bn. by 1980.

The Polish side expressed interest in increasing exports of engineering goods in addition to those of farm products and timber. It is hoped that deliveries on the basis of industrial co-operation and joint ventures would account for 80 per cent of the Polish exports to the U.S. by 1980. Prospects are favourable for broadening co-operation in such branches as mining and power, chemicals and electrical engineering.

Polish officials are reported to have pressed for "most favoured nation" treatment for Hungarian exports. Mr. Morton spoke out in favour of granting such treatment, and said that an increasing number of U.S. Congressmen took the same view.

In contrast to trade with Poland, U.S.-Hungarian exchanges are still relatively modest. Last year Hungarian exports were only \$27m, and imports \$115m. Similar levels are likely to be reached this year. Although the U.S. share of total Hungarian imports rose from 1.5 per cent in 1970 to 2.3 per cent last year, there is scope for expansion. Firm products, glassware, pottery, etc., still account for about 85 per cent of the Hungarian exports to the U.S.

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AMERICAN NEWS

Brazil hopes for U.K. technology sharing accord

By DAVID WHITE

RIO DE JANEIRO, Oct. 20.

CONSIDERABLE IMPORTANCE is being attached here to this week's European trip by Foreign Minister Antonio Azeredo da Silveira, who hopes to lay the basis for agreements on sharing technology, particularly with Britain.

Mr. Azeredo da Silveira said in an interview that he regarded co-operation with Western Europe as "basic" to Brazil's development plans. Brazil was looking to the U.S. for partners in joint ventures—such as the nuclear deal already agreed with the West Germans—to make use of Brazilian reserves of raw materials.

Co-operation with the U.S. has produced "a few serious disappointments," he said, particularly as regards supplies of nuclear fuel. But he denied that Brazil's pact with Bonn had created cooler relations with the U.S. Government, despite sharp reactions in the Press and Congress to the potential implications of Brazilian nuclear independence.

Referring to his proposal at the UN General Assembly for a commercial accord between developing and developed countries, Mr. Azeredo da Silveira said that he believed that the developing countries had matured in their views and were now in a position to negotiate. The accord would mean guaranteeing access to industrialised markets for Third World produce and a change in the debt structure.

Brazil, he said, had a special role to play in the Third World and this was being emphasised by links with black Africa. It did not favour the development of a separate Latin American bloc, and wanted a "realistic" and "flexible" framework for co-operation. The positive Latin American economic system (SELA), to be set up with headquarters in Caracas, "must be selective to be effective," he said.

On the possibility of re-establishing relations with Cuba, Mr. Azeredo da Silveira said this was more a problem of the U.S. than of Brazil. Brazil abstained in the Organisation of American States vote to end the blockade of Cuba earlier this year. It was more concerned with preserving the inter-American system than with Cuba, he said.

The interview was held before the Brazilian Government's decision to open the door to foreign oil exploration, but it was understood that search contracts will form part of the Minister's discussions in London. He is also due to sign a memorandum of understanding covering various fields of economic and technical co-operation, including railways, steel and capital goods. The Brazilians are also looking for partners to build up their armaments industry.

Mr. Azeredo da Silveira leaves London on Thursday for Paris and later Rome.

Mr. O'Shaughnessy writes: Trade and Brazilian purchases of British technology will be high on the list of priorities during Mr. Silveira's programme. During a visit to Mr. James Callaghan to-day, the Brazilian Minister will sign a memorandum of understanding which outlines areas of special co-operation between Brazilian and British industry. He will call on the Prime Minister to-morrow.

It is hoped that a major credit deal between Britain and Brazil will be announced before Mr. Silveira leaves London. British business will also be interested in the progress of plans for the \$5.5bn. Itaipu scheme, which the Brazilians are building with the Paraguayans, on the Parana river, the largest hydroelectric development in the world.

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OVERSEAS NEWS

Whitlam predicts Labour resurgence

By KENNETH RANDALL

CANBERRA, Oct. 20

WHEN the Government's position showed any sign of budging from their line stances in the Australia constitutional crisis, Labour leaders, including the Minister, Mr. Whitlam, issued a series of rallies and the country today witnessed a series of rallies in the Opposition leader, Fraser.

Fraser stood firm on a declaration that the Opposition would not support the Government's proposal to pass the bill until Mr. Whitlam called new elections for houses of Parliament. Mr. Whitlam continued his flat rejection of the demand.

Whitlam predicted that within a month the Government would be in a position to pass the bill, but he would begin to work and the Government would continue to work on the bill.

"I've never been so certain anything in life as I am that the Government's money power will be a result of this," he added.

Government is under a heavy burden to carry on little more than a month, with the Government's money power in a position to pass the bill, but he would begin to work and the Government would continue to work on the bill.

"I've never been so certain anything in life as I am that the Government's money power will be a result of this," he added.

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Kissinger to reassure Chinese leadership

By A SPECIAL CORRESPONDENT

PEKING, Oct. 20

SECRETARY of State Henry Kissinger opened talks today with Chinese leaders in Peking's Hall of the People. China's leaders will try to convince the Secretary of State that the danger of a new world war is not as great as it seems to be, and that the United States should not be so concerned with the threat of a new world war.

Kissinger's current visit is nearly going to deal with vital issues, than the summit of Sino-American relations. The key words in talks began today will be "peace and co-operation," two words which dominate Chinese thinking on foreign policy. The purpose of Dr. Kissinger's visit is to lay the groundwork for a new era of Sino-American relations. But it seems apparent that the Chinese leadership, led by Vice-Premier Teng Hsiao-Ping, will not be so concerned with the threat of a new world war.

Bhutto seeks French arms

By RUPERT CORNWELL

PARIS, Oct. 20

ARMED nuclear co-operation is likely to be the main topic of an official visit to France by the Pakistani Prime Minister, Mr. Zulfikar Ali Bhutto, today.

Bhutto, who is in Paris Wednesday, will have talks with French officials, including the Defence Minister, Mr. Bourges. Tomorrow he will be the luncheon guest of President Valéry Giscard d'Estaing.

Pakistan Premier will be in Paris to win French support for his country's policies, especially towards India, and in return he has requested that France should supply it with arms deliveries during the 1971 war in India, which led to the loss of Bangladesh.

Chances of his procuring arms supplies on this occasion will largely depend on how far Paris is prepared to waive its own rule that such goods should be paid for at once. Pakistan's external payments are exceedingly fragile, and hitherto has relied on aid from fellow Islamic oil producers—whose forces are often manned by Pakistani technicians—for funds.

Much the same applies to economic relations. Both sides want to increase trade, but Pakistan's lack of foreign exchange is a daunting obstacle. The specific problems associated with the possible delivery of a 600MW nuclear station by France also concern. Guarantee that the technology supplied will not be used for military purposes. Pakistan is deeply worried by India's nuclear capacity, but only last week in Moscow M. Giscard d'Estaing publicly expressed France's concern to halt the spread of such weapons.

Beirut erupts again

By HSAN HJAZI

BEIRUT, Oct. 20

TEEN people were known to have been killed and about 100 wounded in renewed fighting here last night and today. Most of the city's streets again declared to be unsafe by the authorities because of the shooting and the use of snipers. The night this Lebanese capital was hit by the sound of loud shots caused by rockets, shells, rifle propelled and cannon fire from the cars of internal forces which tried, but to stop the fighting from flaring.

A new outbreak of hostilities after Beirut had spent one of its quietest Sundays in 1975. Once again, there was a sudden explosion of the violence, in which militia men of the right-wing Phalangist and armed members of

El Al lays off 1,000 crewmen

TEL AVIV, Oct. 20. THE MANAGEMENT of El Al ordered 1,000 crew members on forced vacations and dismissed 100 temporary workers today in an attempt to cut costs as a wildcat strike by mechanics kept the airline idle for a fifth day.

Bhana gets new planning chief

By CAMERON DUODU

ACCRA, Oct. 20

FORMER Executive Secretary of the UN Economic Commission for Africa, Dr. Robert M. K. Acheampong, has been appointed as a new Commissioner for Planning in the wake of the resignation of the late Dr. Kwame Baah. Dr. Acheampong, who was the head of state General Acheampong on October 9, 1974, is now the Commissioner for Planning in the Government. The three members of the National Redemption Council (NRC) who carried out the January 1972 coup d'état

against the Buba Government with General Acheampong, but who were dropped from the newly created seat of supreme authority in the country, are Dr. Kwame Baah, former Commissioner for Foreign Affairs, Colonel Anthony Selormey, former Commissioner of Health, and Colonel Kodzo Agbo, former Commissioner for Labour and Social Welfare. They have been retired from the army following their resignation.

Vorster and Smith talks finish

By Tony Hawkins

SALISBURY, Oct. 20

RHODESIAN Prime Minister Ian Smith and his three Cabinet colleagues who flew to Pretoria at mid-day today for talks with the South African Prime Minister are due back late tonight.

A Rhodesian Government spokesman said that the talks were scheduled to be completed later today and Mr. Smith and his colleagues would fly back to Bulawayo. Any statement, he said, would be forthcoming, he said, would be made in Pretoria.

Meanwhile, there is still no news of the whereabouts of the publicity secretary of the Rhodesian faction of the African National Council, Dr. Edson Sithole. Dr. Sithole disappeared from outside the Ambassador Hotel in central Salisbury last Wednesday. His car was subsequently found at Umfolozi close to the Mozambique border, but his friends and colleagues continue to deny that he has fled the country. The only other viable explanation is that Dr. Sithole and his 16-year-old secretary (who is also missing) were kidnapped.

A planned demonstration today by about 150 Africans, including Dr. Sithole's sister and his fiancée was banned from Salisbury by police. The demonstration reflected continuing, persistent suspicion on their part that Dr. Sithole's disappearance was carried out with the aid of the police. Police have repeatedly denied that the nationalist lawyer is in custody.

CHINESE INFLUENCE IN ASIA

The Korean connection

By COLIN MacDOUGALL

CHINESE FOREIGN Minister Chiao Kuan-hua's demolition of Dr. Henry Kissinger's proposal for a conference to discuss how to preserve the Korean armistice if the UN dissolves its peace-keeping force must have been music to the ears of the North Korean President, Kim Il Sung. Korean unification under the domination of the North (the inevitable outcome falling solid guarantees for the safety of the South) would mean for Peking a second Communist state rising to power, on its doorstep. But, so soon after the Communist victories in Vietnam and Cambodia and their attendant problems for China, this prospect must be alarming.

Support for Kim is all part of the much larger picture wherein China is trying to ensure continuing influence in its neighbouring countries. But in private the Chinese must be putting their money on the U.S. determination to leave troops in South Korea as a safeguard against the North. They must be counting, too, on the West to oppose the dissolution of the UN command—the party to the 1953 armistice agreement—without the provision of a legitimate successor. Naturally in an ideal world the Chinese would like to see the U.S. superpower withdraw and the West vanquished in the UN. But currently Peking is in the thick of complex diplomatic manoeuvres, its policy dominated by rivalry for influence with the Soviet Union.

Verbal support for North Korean policy at the UN by China is not likely to affect the real situation at present. Two resolutions are due to come up shortly at the General Assembly. One proposes to terminate the UN command in Korea, submitted by the U.S., Japan and others. It is unacceptable to the Chinese (and the North Koreans) because there is no mention of the withdrawal of foreign troops which are mainly American. Though currently serving in the UN command, they would remain under the U.S.-South Korea mutual defence treaty. The second resolution, submitted by Algeria, China and others, proposes that the UN command be dissolved and all foreign troops withdrawn. The armistice agreement would then be replaced with a peace agreement. Whatever the outcome at the UN, it is most unlikely to affect the U.S. decision to leave American troops in Korea.

The determination of the U.S. to pull out of South Korea at present seems unshakable, partly from consideration for Japanese security interests. As for a reunification of the two Koreas, since it is inconceivable that President Kim would envisage any long-term arrangement without himself as boss, any discussions of the topic seem doomed to failure. The best hope for Korea as far as the West is concerned at present is some form of agreement which guarantees the continuation of the armistice after the dissolution of the UN force which, they were able to tolerate the situation. But the sudden Communist victory in Vietnam last spring brought the issue to the forefront. Kim Il Sung hurried to Peking to find out, it is believed, what help he could get for a sudden swoop on the South while the U.S. was still unprepared by events in South East Asia. The Chinese evidently dissuaded him from moving hastily. But they cannot afford to be less

than enthusiastic publicly in support for Kim, and they must be perpetually conscious of possible Soviet competition for his favour. A high-level Chinese party delegation was in Pyongyang last month. Judging from the position of the group, the question of relations between Communist states came high on the agenda. But Chinese wowing of the North Koreans has so far stopped short of hailing them out of their present severe hard currency shortage. That suggests that Peking is not yet prepared to strengthen the Korean economy or boost President Kim's status with anything tangible.

Competition between Peking and Moscow has grown a good deal fiercer since the spring, particularly in Asia. Both sides have overtly hunted up support, Peking swiftly established diplomatic relations with the Philippines and Thailand. The Soviet Union extended its presence in Bangkok and Singapore. The Chinese fear the power of the Soviet navy and suspect the Vietnamese of offering it facilities at the former American base of Cam Ranh ambassador to Phnom Penh. If Bay. The relatively straight-forward question for Peking of seeking to worst Moscow has become infinitely more devious with the rise of the power of Hanoi and the unpredictability of Cambodia.

Peking has been buzzing with diplomatic activity of much more import than the usual procession of third world leaders through the chess.

NEW YORK, Oct. 20. SECRETARY of State Henry Kissinger said in an interview published here that the United States would be willing to recognise North Korea if the Soviet Union or China recognised South Korea.

Time magazine had asked Dr. Kissinger to comment on the rejection by China and North Korea to his suggested conference between concerned powers on the divided country. "We would be prepared to participate in any negotiations or in any conference whose composition was reasonably balanced that included South Korea," he said.

they were able to tolerate the situation. But the sudden Communist victory in Vietnam last spring brought the issue to the forefront. Kim Il Sung hurried to Peking to find out, it is believed, what help he could get for a sudden swoop on the South while the U.S. was still unprepared by events in South East Asia. The Chinese evidently dissuaded him from moving hastily. But they cannot afford to be less

Chinese capital. While the Chinese party delegation was in Pyongyang, Le Duan, first secretary of the Vietnam Workers' Party, was heading an important economic delegation from Hanoi to Peking. He came hot on the heels of Ieng Sary, deputy premier of Cambodia. Earlier, Khieu Samphan (also Cambodian deputy premier) and Ieng Sary visited Peking and Khieu went on to Pyongyang, where Prince Sihanouk had been staying. He and Sihanouk together then went on to Hanoi.

Undoubtedly all these visits mean important and delicate discussions for the Chinese about relations with the countries on their periphery and on relations between those countries themselves. Their rivalry with the Soviet Union and to some extent now with Hanoi make their relations with Cambodia and North Korea both more important and trickier. So far they have achieved something: they have seen Sihanouk (whom they sheltered for five years after his election from Cambodia) return home as nominal head of state, facilities at the former American base of Cam Ranh ambassador to Phnom Penh. If Bay. The relatively straight-forward question for Peking of seeking to worst Moscow has become infinitely more devious with the rise of the power of Hanoi and the unpredictability of Cambodia.

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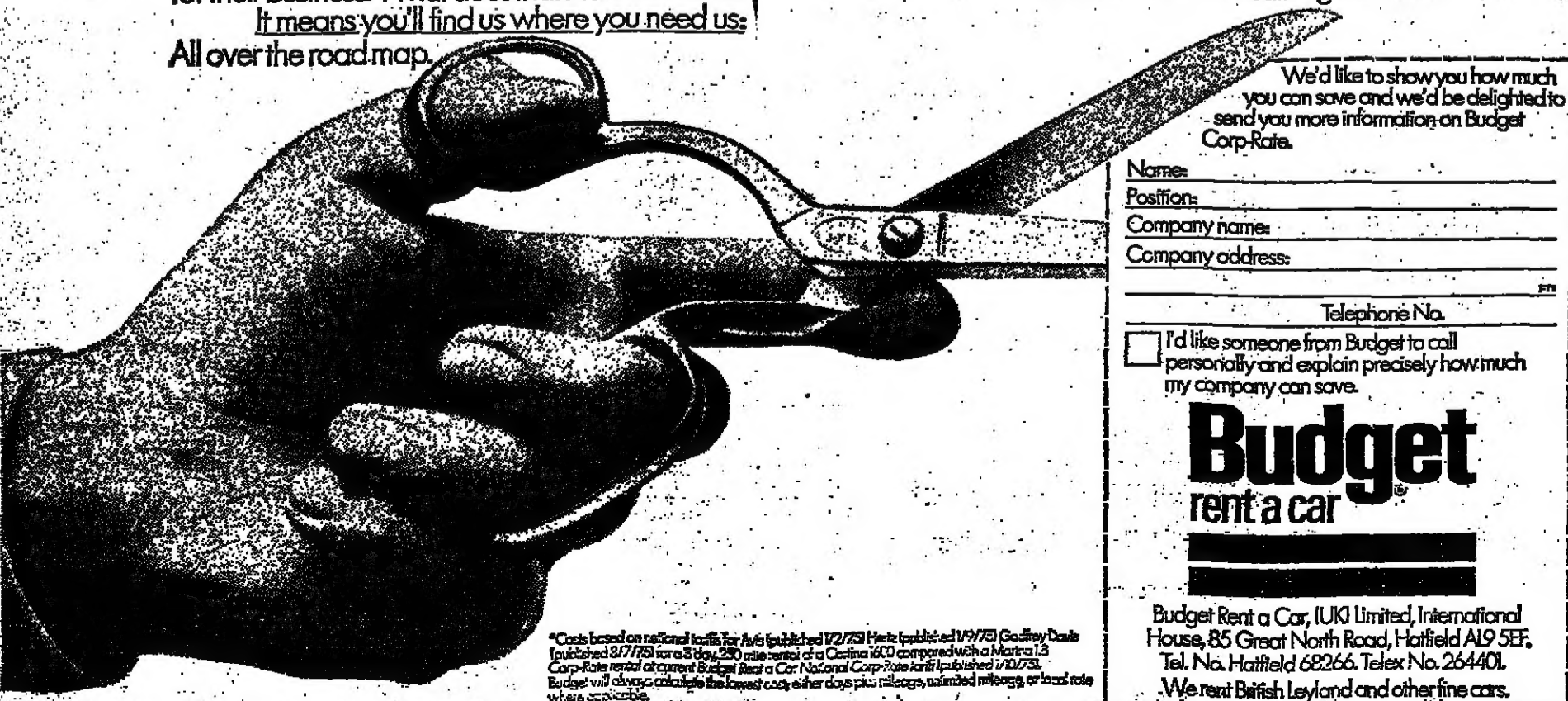
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Ulster Convention will hurry its report

Many plants 'facing Flixborough peril'

Avis is top hire group after Hertz closures

Loan for liners

Suspicious

Uranium, it is stated, has a chemical toxicity comparable with that of lead. There will be no smoke emissions from the new plant, according to its owners, British Nuclear Fuels.

Suspicious about the carcinogenicity of vinyl chloride monomer, recorded in last year's report, the Health Research Board early last year; but, the cases found "seemed to indicate the production and possibly fabrication of polyvinyl chloride (PVC), rather than the production of VCM."

Until January last year, VCM had been regarded as having only moderate toxicity, and the inspectorate's concern had been upon preventing emissions of chlorine, hydrogen chloride and carbon tetrachloride from the three U.K. factories making VCM.

An initial estimate put emissions from the six U.K. factories where VCM is polymerised to PVC at about \$8 in a ton of PVC made.

By applying the best control methods available, losses in polymerisation were reduced to one-tenth in a year. All normal sources of emission are now controlled, says the report, and the only normal source of escape—barring accidents—which is not yet susceptible to absolute control is the occasional rupturing of safety pressure relief discs on the autoclaves.

177 Amdur, *Encyclopedia on Acute & Chronic Work 1974*: 501; *ES: 43, 25*

SWAN HUNTER yesterday launched Gandara, a 16,200-ton P & O liquefied petroleum gas tanker at Hebburn. There was no ceremony.

body on takeovers and mergers in its submission to the SEC Commission which is preparing a draft directive on the subject.

Iceland, U.K. hope for fishing deal

IN SPITE of firm unilateral declarations of new 200-mile fishing limit last Wednesday, Iceland remains optimistic that another "cod war" can be averted when the bilateral agreement between Great Britain and Iceland runs out on November 13.

Iceland says it has adopted the 200-mile limit because this is what it believes will gain wide acceptance, particularly among the U.S. Secretary of State, Dr. Henry Kissinger, of interest, himself in fishing limits.

Iceland feels, according to its embassy in London, that the 200-mile limit will be accepted by many nations at the new Law of the Sea conference in March next year.

"It is perhaps too much to expect that our 200-mile limit will be easily accepted at this time," the Icelandic ambassador said yesterday, "but we must do something. Our conservation grounds have almost gone."

Iceland last attempted unilaterally to enforce a new limit of 200 miles in 1972. This led to the so-called "cod wars" of 1972-73 in which Icelandic gunboats harassed British trawlers to such an extent that the Royal Navy was sent in to protect them.

Eventually a two-year agreement was reached between Britain and Iceland which gave British trawlers access to certain Icelandic waters between 12 miles and 50 miles.

This is the agreement which runs out on November 13, and technically Iceland feels it can then extend its limit to 200 miles.

It is clear, however, that both countries really want another agreement of some kind. It appears that when talks take place on Thursday, Britain will try to ensure that its trawlers can enter the 200-mile limit while Iceland will demand still more significant details upon which

British vessels are allowed within the limit.

Under the present agreement Iceland's fishing waters within the 50- and 12-mile limits are divided into three 50 per cent. zones which are in use at any one time.

Iceland has claimed that 50 per cent. of the total free-swimming fish catch around its shores continues to be taken away by foreign nations, particularly Britain and West Germany.

Reykjavik has in the past appealed for its international sympathy in its fishing disputes on the grounds that it is heavily dependent on the industry, its fishing catches supply something like 83 per cent. of its exports.

Iceland has thought it likely to have to come to terms with Britain, because it is anxious for a good relationship with the Common Market. It sees the EEC as an area in which it might export its market.

Britain, for its part, likely wants to maintain rights within the 50-mile limit, not least because higher costs have meant a rough time for its fishing industry in recent months.

The Trawlers Federation believes the present agreement has worked satisfactorily and is "fairly confident" of getting a new deal.

Russians

Meanwhile, as the agreement between Iceland and Britain runs out, Russian ships are fishing so close to British territorial waters that they are taking as much mackerel in one day as local fishermen catch in a week. Baroness Vickers claimed in the House of Lords yesterday: "Lord Beswick, the Minister of State, said he understood that 26 to 35 Russian vessels had fished 100 miles for mackerel between 10 and 40 miles of the south-west coast."

Escort sale drop blamed on Halewood workers

On the home front, delivery times for the Escort are running at least a month, and at times three months, behind orders depending on the specifications.

This, together with British Leyland's lack of stocks after its sales surge last month, is one reason behind the rise in the importers' penetration of the U.K. market this month.

GLC wants noise rules enforced on Concorde

THE Greater London Council wants the noise rules strictly enforced for Concorde when it starts passenger services from Heathrow on January 21, even if some special operational or economic arrangements are made for the aircraft.

The GLC is not against any special noise dispensation for the aircraft, if the Secretary of State for Trade thinks that is necessary. It is strongly in favour of Concorde being allowed to make what noise it likes.

The GLC's views are contained in a report on the aircraft's noise levels by the council's planning committee yesterday. The report is based on the council's own monitoring of the noise disturbance from Concorde during the route of its flights from Heathrow this summer.

The Department of Trade made its own separate tests, the results of which have already been published, showing infringements of the noise rules on 26 out of 37 take-offs.

The GLC's tests, as detailed in the report, show Concorde to be more than twice as loud on take-off as the noisiest subsonic jet aircraft at Heathrow. It is as loud as the loudest of the new generation of wide-bodied aircraft, such as TriStar.

This was disputed later by the British Aircraft Corporation—which, with Aerospatiale of France, has produced Concorde. The company claimed that the noise levels it issued last week, show that out of the 37 monitored take-offs, 11 created no infringements at all, and 13 created only marginal infringements.

The SAC stressed that, during the flights, noise measurements were not given priority. When the full procedures were used, there would be a noticeable improvement in the situation.

The GLC's planning committee, in endorsing the report yesterday, urges the Secretary of State to provide increased noise insulation grants, support the arguments of the Heathrow Consultative Committee for a ban on all night movements by Concorde, and require the retrofitting of older jets with "hush-kits".

The GLC's report suggests that Concorde would exceed the current Heathrow noise limits on 80 per cent. of its flights, representing a substantial increase on the present level of noise violations.

The report also suggests that up to 12 times more people in Greater London are likely to be disturbed by each Concorde flight than by the quieter wide-bodied jets.

One of the few good points about Concorde's noise emerging from the report is the conclusion that there is no direct evidence so far, that its low-frequency noise and vibration would be a "head-on" environmental problem.

The report recognises that some of the results of the noise monitoring programmes could be revised downwards by the adoption of improved take-off procedures.

"Utilisation of a greater length of runway might enable noise levels to be reduced in the areas immediately to the north and south of the airport."

"The various civil aviation authorities should be urged to utilise all appropriate noise abatement measures, even where these are unique," Concorde and administrative and economic problems have to overcome."

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NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was, on the 12th day of October 1975, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Bench House, 39-41, Mark Lane, London EC3R 7TE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 17th day of November 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
G. KRICKORIAN,
King's Bench House,
39-41, Mark Lane,
London EC3R 7TE.
Solicitor to the Petitioner.

IN THE HIGH COURT OF JUSTICE
Chancery Division Companies Court, in the Matter of S. W. PIERCE LTD. and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was, on the 12th day of October 1975, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Bench House, 39-41, Mark Lane, London EC3R 7TE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 17th day of November 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
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G. KRICKORIAN,
King's Bench House,
39-41, Mark Lane,
London EC3R 7TE.
Solicitor to the Petitioner.

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COMPANY NOTICES
ROBECO
ROTTERDAMSCH BELEGINGSCONSORTIUM N.V.
With reference to the announcement dated 15th October 1975 concerning the interim Cash Dividend on Sub-shares registered in the name of National Provincial Limited the rate of exchange for the payment of this dividend is fixed at £1.00.
UNITED KINGDOM RESIDENTS
The gross dividend is £0.72511046 per Sub-share and is subject to the following deductions:
15% Dutch Tax = £0.10876657 per Sub-share
20% U.K. Tax = £0.14502209 per Sub-share
Exchange and M.N. Comm. = £0.01515151 per Sub-share
Net Payment = £0.05116989 per Sub-share
NON-RESIDENTS OF THE UNITED KINGDOM
Where 25% Dutch Tax is applicable, the following deductions apply:
25% Dutch Tax on net dividend = £0.18127762 per Sub-share
20% U.K. Tax on net dividend = £0.14502209 per Sub-share
Exchange and M.N. Comm. = £0.01515151 per Sub-share
Net Payment = £0.04860977 per Sub-share
Where 15% Dutch Tax is applicable, the following deductions apply:
15% Dutch Tax on net dividend = £0.10876657 per Sub-share
20% U.K. Tax on net dividend = £0.14502209 per Sub-share
Exchange and M.N. Comm. = £0.01515151 per Sub-share
Net Payment = £0.05116989 per Sub-share
The above dividend is payable on the 15th day of November 1975 at the registered office of the Company, 10, Cannon Street, London EC4P 4BY.

IN THE HIGH COURT OF JUSTICE
Chancery Division Companies Court, in the Matter of TRENTDALE ENTERPRISES LIMITED and in the Matter of The Companies Act, 1948.
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G. KRICKORIAN,
King's Bench House,
39-41, Mark Lane,
London EC3R 7TE.
Solicitor to the Petitioner.

IN THE HIGH COURT OF JUSTICE
Chancery Division Companies Court, in the Matter of ALPINE IMPRINTS LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was, on the 12th day of October 1975, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Bench House, 39-41, Mark Lane, London EC3R 7TE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 17th day of November 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition must appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.
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G. KRICKORIAN,
King's Bench House,
39-41, Mark Lane,
London EC3R 7TE.
Solicitor to the Petitioner.

GORDON WOPWOLE DECEASED
PHYLLIS GERTRUDE MAUNSELL
Would any person having knowledge of the whereabouts of the above-named person, please contact: Mrs. Phyllis Gertrude Maunsell, 10, Broad Street, London W1C 1JG. Tel: 01-588 3588. If possible, please contact: Mrs. Phyllis Gertrude Maunsell, 10, Broad Street, London W1C 1JG. Tel: 01-588 3588.

PUBLIC NOTICES
THE CITY OF EDINBURGH DISTRICT COUNCIL
£1.5m. Preliminary Notice issued 17th October 1975, due 18th January 1976 at 11.15 a.m. Local authorities £16.5m. Total outstanding £1.5m.

HOME NEWS

Urgent action needed to rescue electronics consumer industry

BY ARTHUR SMITH
URGENT GOVERNMENT action to stimulate Britain's struggling consumer goods industry is being sought by the electronics industry, according to the Electronics Development Committee.
About 35,000 jobs have been lost in the electronics consumer goods sector since the start of 1974, of whom this year—200,000 more jobs are at risk, says the EDC.
In a working document submitted to Mr. Eric Varley, the Secretary, it points out that the industry is predominantly based upon a single product—colour television, a sector hit hard by Government restrictions on consumer spending. Attention is drawn to the problem of Britain's two colour picture tube manufacturers, now operating at less than 50 per cent capacity. "At this level of output, a substantial contraction in capacity is inevitable, unless steps are taken."
In the short term, the EDC calls for "a controlled stimulus to demand" by reducing Value Added Tax or by a moderate relaxation of rental and credit restrictions.
To ensure the survival of the U.K. picture tube capacity, it suggests import quotas—either voluntary or imposed—steps to increase the price of Japanese imports. Government aid to develop technology and the use of the temporary employment subsidy.
An important factor in the decline of the U.K. consumer goods sector has been Government intervention. "There have been 47 changes in consumer credit restrictions, rental deposit regulations and tax levels, since 1950."
Sudden and unpredictable changes in demand had acted consistently in favour of imports and had hindered export efforts.
Rental and credit restrictions and the increase in VAT to 25 per cent had depressed demand for colour television sets. But of more immediate concern was the threat to the continued viability of colour tube manufacturing capacity in the face of falling home demand, and intense foreign competition, particularly from Japan and the U.S.
Without tube capacity in the U.K., television set makers would be in the hands of their major overseas competitors for supplying a part which accounted for 40 per cent of the component cost. The survival of the set makers in the long term would be "seriously endangered."
Jobs loss
Television manufacture in the U.K. had to be conserved because its loss would mean that the consumer goods sector as a whole would cease to be a significant force. Some 40,000 to 70,000 jobs would be lost while the balance of trade would worsen by £200m. to £400m. a year, says the EDC. The consumer goods sector as a whole because its demand for components provides the volume throughput which manufacturers need.

Engineers concerned at closed shop Bill

By Kenneth Gooding, Industrial Correspondent

BRITAIN'S professional engineers yesterday expressed their serious concern about the closed shop provisions of the Trades Union and Labour Relations Bill in letters to Mr. Harold Wilson and Mrs. Margaret Thatcher.
At the same time it was disclosed that the Prime Minister had turned down the idea that there should be an inquiry into the structure of the engineering profession after the resignation in September of the Institution of Electrical Engineers from the Council of Engineering Institutions.

The letters to Mr. Wilson and Mrs. Thatcher went out from Professor John Coles, president of the CEE. There are 80,000 chartered engineers who do not belong to unions and they are becoming more and more alarmed about the imminent closed shop legislation.
Professor Coles said last night: "If there is to be an inquiry it would be much more useful to have one into the effects of the closed shop on chartered engineers."
Engineers are being forced to join unions in which they represent a very small minority of the membership and where sometimes the union aims and objectives could conflict with their professional position.
There was a growing number of complaints about non-union professional engineers being blacklisted or "sent to Coventry" for refusing to join a union.

Charter

A working party of the CEE was examining the whole question of the inter-relationship of engineering institutions and trade unions.
The CEE cannot play a trade union role as a negotiating body because its charter prevents this. Professor Coles said that one answer might be for the chartered engineers to have their own trade union instead of having to join various large unions where their views had a very small impact.
Professor Coles also gave details of the progress the CEE is making in implementing its own reorganisation.
It was this reorganisation plan which led to one of the CEE's biggest members, the Institution of Electrical Engineers, to give notice. The IEE did not feel that the changes went far enough to improve the status of the professional engineer.
Those who then put pressure on Mr. Wilson for a Government inquiry into the future of the engineering profession said that without one central, unified organisation for engineers it would prove very difficult for the industry to play its part in developing new standards for engineering throughout the EEC.



Two new High Court judges were sworn in yesterday. Mr. John Cobb QC, aged 52 (left), has led the prosecution in several recent bomb cases and is assigned to the Queen's Bench division. Mr. Robert Goff QC, aged 48 (right), is also being assigned to this division.

OBITUARY

Lord Ritchie of Dundee

LORD RITCHIE of Dundee, a former chairman of the Stock Exchange, died yesterday, aged 72. He had been in poor health for three months.
Elected a member of the Stock Exchange in 1926, Lord Ritchie joined Richardson and Glover where he later became senior partner.
He also became senior partner when that firm merged with Norris Oakley in 1967, but resigned the position last year when there was a further merger with Capel Cure Myers and the new group became a limited liability company.
He was elected to the Council of the Stock Exchange in 1947, became deputy chairman in 1954 and succeeded to the chairmanship in 1958 after the retirement of Sir John Braithwaite.
Lord Ritchie was forced to retire because of ill-health in June, 1965.
On his retirement, Lord Ritchie retained an additional deputy chairmanship of the Stock Exchange—a position he held until 1972. He remained a member of the Stock Exchange Council.
Lord Ritchie was a director of Hutchinson, the publishing house, chairman of the English Association of American Bondholders and, until the summer of this year, a member of the committee of the All-England Tennis Club.

Future of Stonor Park discussed with DoE

TALKS ARE taking place between the owners of Stonor Park, a stately home near Henley, Oxfordshire, and the Department of the Environment.
The estate has been the home of the Stonor family for 900 years, but they are to sell it because of rising costs.
The present owners, Lord and Lady Camoys, said the part-medieval, part-Tudor and part-18th century house in the hands of the Historic Buildings Trust, an estate agent large endowment which they simply didn't have. "But, of course, their costs are going up just like everyone else's," she said.
"The reason we are going to sell is because we are going to sell the house to the Department of the Environment and negotiations are going on."

Stonehouse: Accounts argument

FINANCIAL TIMES REPORTER
THE RIDDLE of Swiss bank accounts which may implicate Labour MP, Mr. John Stonehouse, was discussed when committee proceedings were renewed against him in London yesterday.
The House of Commons Select Committee on the House of Commons, after hearing arguments over evidence from Switzerland, obtained by Scotland Yard officers, which may provide a legal loophole for their disclosure, adjourned until today his ruling on whether the material would be admissible.
Mr. Stonehouse left the court to make his personal statement in Parliament without knowing whether the facts in the accounts will come out in court.
Arguments about them were raised as the hearing against Mr. Stonehouse entered its second week. It is likely now to last well into next week before the committee stage is over.
He faces 21 charges of theft, which had also been examined by a Scotland Yard handwriting expert.
In addition to photocopies of the original documents, the Crown wanted to produce copies of a Swiss bank corporation account in the name of Markham.
The account is alleged to have been a false name used by Stonehouse to get large sums of money to Switzerland in the course of his inquiries. The Swiss authorities had allowed photo copies to be made of original documents on their bank files but, under their national banking laws, were bound to refuse production of the original documents in a British court. Their laws also prevented any Swiss bank official attending criminal proceedings in this country.
Detective Inspector Robert Lewis had been to Zurich and made a high quality photocopy of the alleged documents, that the accounts he was examining were original records.
There was no direct evidence that this was so and, therefore, the documents, which appeared to show various deposits, ought to be omitted from the case.
Mr. Tudor Price replied that they could not be omitted only because they were "missable" only banks kept two sets of records—one an untrue record for the English and the other a true one for themselves. "It is obviously absurd," he said.
He promised not to disclose the contents of the documents in court until the magistrate ruled whether they were admissible.
Earlier, Mr. Robertson urged the court to sit in private so that his legal arguments could be put more easily, but the magistrate rejected the request because the defence had already asked for Press restrictions on reporting the case to be lifted. The hearing was adjourned until today.

هكذا من الأهل

The 18-22 series.

Autocar called it *"bold and exciting."*

The Daily Telegraph called it *"excellent."*

The Daily Express called it *"superb."*

The Times called it *"most refreshing."*

Motor called it *"striking."*

The Sunday Express called it *"remarkable."*

Motoring News called it *"a tremendous advance."*

The Daily Mail called it *"a winner."*

The Observer called it *"a huge improvement."*

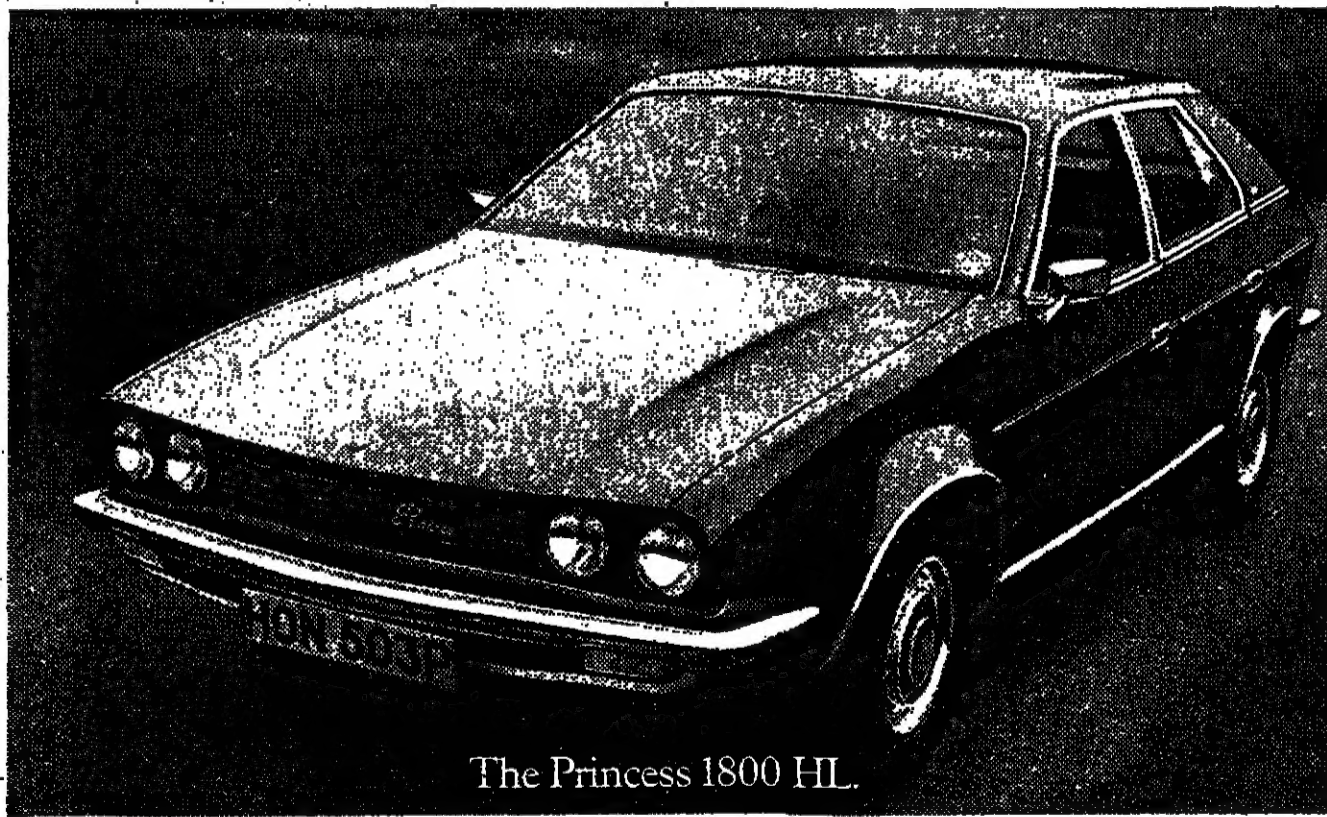
Autosport called it *"British Leyland's winner."*

Hot Car called it *"a thoroughly good car."*

Now we're calling it the Princess.



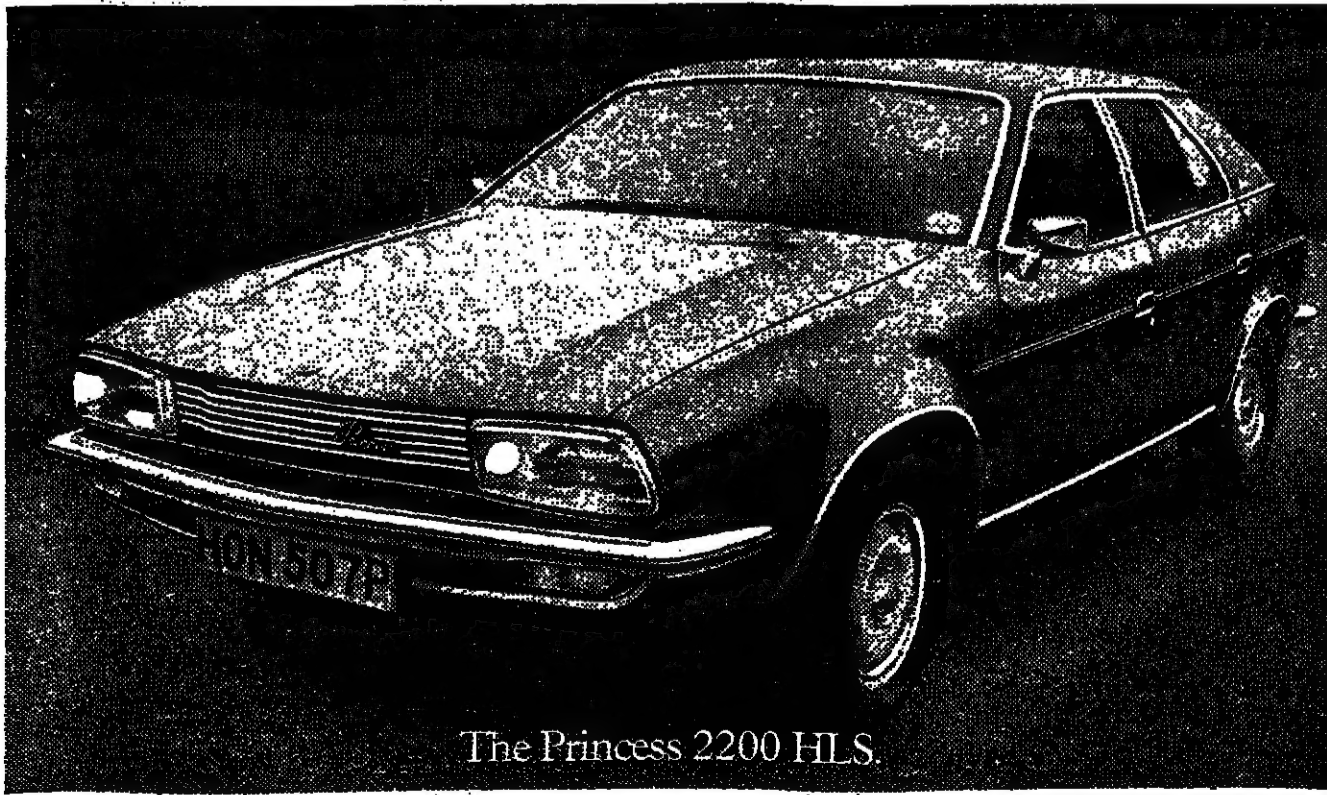
The Princess 1800.



The Princess 1800 HL.



The Princess 2200 HL.



The Princess 2200 HLS.

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There are four cars—the Princess 1800, the Princess 1800 HL, the Princess 2200 HL and the Princess 2200 HLS.

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LEGAL NOTICES

This is a notice concerning the real estate property located in CONSTITUTION SQUARE, ATHENS, GREECE, at the intersection of King George Street, Stadium Street, and Voukourestiou Street.

The estate is hereby notified that a PLAINT has been filed against the ALLEGED owners of the above mentioned property, HOTELS AND TOURIST ENTERPRISES S.A., VARNINA, formerly known as S.A. HOTELS AND TOURIST ENTERPRISES, OTHON LEFAS-TETENS, by MR. OTHON LEFAS-TETENS in which he CLAIMS OWNERSHIP of the above mentioned property, said plaintiff having been REGISTERED in the local civil register in accordance with the law and a PRELIMINARY DECISION HAVING ALREADY BEEN MADE AND ENTERED ON SAID PLAINT.

Therefore, and proceedings are drawn to the attention of third parties dealing with the alleged owners, Varnina, with regard to said property.

Signature: *هكنا من الرض*

Entertainment Guide

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EXHIBITIONS

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Some seats available.

ROYAL COURT

ALBANY 01-535 3161
Tonight and Sat. 7.30 The Sorcerer's Apprentice
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Some seats available.

LABOUR NEWS

Over-limit rises must be pruned, 3,000 told

By ROY ROGERS, LABOUR CORRESPONDENT

STANDARD Telephones and Cables yesterday bowed to vehement pressure and told 3,000 workers at its Irish subsidiary that it had agreed to pay increases between £1 and £3 a week to bring it in line with the Government's pay policy.

The workers will now have to decide whether to accept the offer or fight it—a move which would bring them and the company into direct conflict with the Government.

Mr. Michael Foot, Employment Secretary, issued a very strong warning on Friday that company faced Government sanctions unless the policy was brought into line with the Government's pay policy.

STC had already said that 900 jobs were to be shed in Ulster by the end of next year as a result of cuts. Mr. Foot said that the Government's pay policy could include a total block on all Government orders as well as preventing STC from making

any price increases. The management clearly hopes that the Ulster workers will realise the predicament and accept the situation.

The reduced payments came into effect from yesterday, but it was still far from clear what would happen to the amounts of up to about £100 which the workers have gained through early implementation of the higher figures.

The matter will have to be considered by the Department of Employment when it has official news of the company's change of heart, but it seems that as the policy is supposed to be voluntary, the additional money may be forgotten.

Bookmakers' vetting plan

LADBROKES RACING set up a "double vetting" system for job applications in Scotland this year to make sure that none of the 300 workers it dismissed from its betting ghos after they went on strike were re-employed.

The system was disclosed yesterday by Ladbroke's regional director, Mr. Alexander Farquhar, at the first of several industrial tribunal hearings arising from the dismissal. Six cases are due to be heard this week.

Get-tough factory sends home 600

By PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

JUST 800 van assembly sent home for a half day or a day for low output. Yesterday, the management's patience came to an end and all 800 were sent home.

Mr. Ira Hill, senior shop steward, has blamed other reasons for the situation, such as conveyor breakdowns and material shortages. An extended plant conference embracing other unions last week broke up without agreement.

National union officials are to be brought in in the final stage of proceedings in the hope of resolving the dispute.

Meanwhile, the men intend to stop at work for as long as possible, but expect the management to cut power supplies. British Leyland refused to comment.

Strike halts Leyland's Canley Triumph plant

By OUR LABOUR CORRESPONDENT

PRODUCTION at British Leyland's Triumph plant at Canley, Coventry, was brought to a halt yesterday as a three-day strike by clerical workers began to take effect.

The production of 200000 was cut to 20000. The company lost 400 vehicles worth more than £10m in showroom terms.

Out 3,000 production workers sent home from Canley as a 300 at Triumph's Speke plant on Merseyside because very drivers from there sent to cross the Coventry and Canley picket lines.

At Coventry, 1,000 members of the white collar section of the Transport and General Workers Union have been on strike for a week in protest at alleged delays in implementing a new job

Race offences must be civil cases—Jenkins

RACIAL discrimination should be a "civil wrong" in the full sense of the word, Mr. Roy Jenkins, the Home Secretary, said last night.

He told the annual dinner in London of the Standing Conference of Asian Organisations that discrimination should not be a special category as it is under the 1968 Act. Victims of racial discrimination should be able to obtain full redress through the courts and industrial tribunals, he said.

Those discriminated against should seek legal advice, obtain their rights, and the law will apply, he said.

He said it was essential that the role of the new Race Relations Commission, advocated in

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Atomic fuel men may challenge pay policy

By Our Labour Reporter

BRITISH NUCLEAR Fuels' 5,000 manual workers will decide at mass meetings to-morrow whether to challenge the Government's anti-inflation policy because of a ruling that a pay deal earlier this year must be offset against the £6 limit.

For the last month union leaders have stuck to their demand for the full £6 in spite of the company's argument that under the pay policy £2.50 a week rise in June must be counted against the limit.

This interpretation was backed up by Department of Employment officials at a meeting with union leaders on Friday and BNF workers now face either accepting the £3.40 a week or taking industrial action.

This is a direct problem for the Government because BNF is a subsidiary of the publicly-owned U.K. Atomic Energy Authority. In discussions at the DE and with the company, union leaders have argued that the full £6 rise should be paid because the £2.50 deal was settled in June well before the publication of the anti-inflation White Paper.

With BNF's annual pay deal due from October 1, the Government insists that the June deal must be offset because it breached the guidelines urging a 12-month gap between pay settlements.

WHEN THE Government's new counter-inflation strategy with its 16-week flat-rate pay limit was drawn up during the summer, few people thought the first major challenge would come from a middle class, professional group such as doctors.

Yet over the last fortnight the country's 15,000 junior hospital doctors have threatened industrial action—stopping short only of an all-out strike—in support of their demand for better overtime pay, something the Government has told them cannot be reconciled with the "rough justice" of the pay policy.

At the root of it all is a promise that the Government made to the junior doctors last year that they would be offered a new contract which would do away with the more glaring anomalies of the present system.

Under this system, junior doctors are paid for a basic 80-hour week and receive overtime allowances for any "unit" of time worked in excess.

Last month, the independent review body on doctors' and dentists' pay recommended that doctors should be paid overtime for any four-hour unit worked in excess of 44 hours, while their basic pay would remain the same.

The effect is that about half the junior doctors would see their earnings rise, while about one-third—ironically those who work the longest hours—stand to earn less.

NEWS ANALYSIS—DOCTORS

Underpaid overtime

By LORELIES OLSLAGER, LABOUR STAFF

The argument is centering on these overtime payments, and is leading to obscure the fact that a doctor's basic rates are not ungenerous—at least for young doctors just out of medical school.

After the average 20 per cent pay increase granted to the medical profession last April, the most junior of the juniors—a house officer—gets between £2,859 and £3,294 a year. The most senior—a senior registrar—in his middle thirties—earns between £4,818 and £5,279.

At present, junior doctors receive a flat rate payment ranging from £9.25 for a house officer to £17.70 for a senior registrar for any day, afternoon or night they work in excess of 80 hours.

Under the proposed new contract, overtime would be paid at 30 per cent of basic pay for every four hours spent in hospital working or on stand-by duty, and at 10 per cent of basic pay for being on call at home.

Because of the new pay policy, the Government is insisting that the total pay roll for junior doctors must not be increased until their next pay review in April. The review body, therefore, felt that it had no choice but to recommend a system under which the £12m, now spent on overtime should be redistributed among the junior doctors.

It was this arrangement which started the revolt of the juniors after their negotiators' initial hard

reward of good earnings in later life.

If a junior doctor decides to leave the National Health Service and become a GP, which he can do any time after he has been a senior house officer, he can expect to reach an average income of £8,500 a year by the time he is in his mid-thirties.

If he decides to stay in the NHS, he can expect to become a consultant in his later thirties, with salary scales ranging from £7,536 to £10,889 a year. In addition, about 5,000 of the 11,000 full-time consultants get distinction awards which bring their pay up to between £12,714 and £13,378 a year.

Many of the junior doctors claim that the prospect of good earnings in later life is now in danger from Government policies and that this is one reason why they are so militant.

There are other elements which make it virtually impossible to compare the doctors' situation with that of other workers in the health service.

For example, the 80 hours which doctors work for their basic pay include periods spent purely on call or stand-by for emergencies. While the system accounts for many broken nights and week-ends, it is not strictly comparable to the rate-of-pay of a nurse—a nurse on stand-by call gets a flat £2 for 24 hours and overtime pay only for the period that she actually works.

In the first place, as in many professions, beginners have always been expected to work after their negotiators' initial hard

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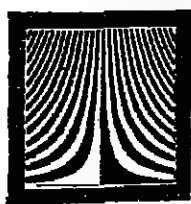
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PROCESSES

Vibrates and separates the solids

MATERIALS used by the minerals processing industries usually have to be passed through a screening and separating process of one kind or another and there are many types of equipment on the market to carry this out.

A newcomer is the Rapifine DSM screen devised by E. E. Cockerill and Co. of Aunshy near Steaford, Lancs. (Culverthorpe 2191).

This machine has a pneumatic rapping device which periodically taps the underside of the screen surface, and is suitable for fine screening of large tonnages down to 325 mesh and for making separations of oversize solids from streams of liquid.

Slurry flows through the feed inlet at the top of the machine's feed box and flows tangentially down the upper surface of the screen.

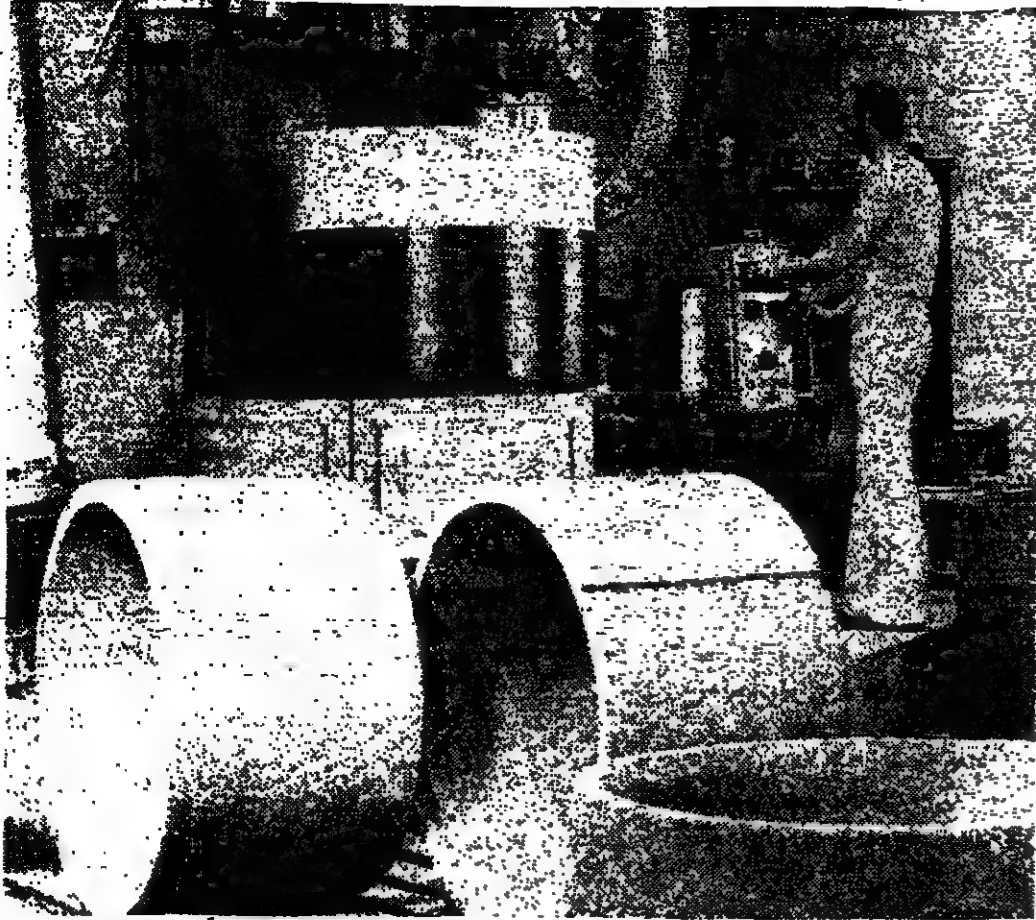
The slurry follows the concave surface at right angles to the openings between the wedge bars with the underside fraction and most of the liquid passing through the apertures and discharging as underflow. De-watered oversize material slides on top of the screen surface and is discharged.

Wedge bars act as a knife on the underside of the passing slurry. Layers of liquid and solid particles strike the sharp edges of the wedge bars and are lifted off and directed downward through slots into the screen box. This slinging action sorts the undersize particles at a smaller dimension than the slots themselves.

Calibrates at high temperature

THERMAL SENSORS can be calibrated between 100 and 800 degrees C. using the FB-07 high-stability fluidised bath put on the market by Tecne (Cambridge, Suffolk, Cambridge) (Sawton 3401).

A zoned fluidisation system is used to ensure high particle mobility and inhibited heating elements give good temperature uniformity throughout the bath. Temperature control is by a



Being machined at the High Wycombe works of Ballico is this plastic ultra-shaft bearing for a supercharger. It is 800 mm. inside diameter x 1,600 mm. long. The material, a reinforced thermoset developed by the company, is used in a filament-winding technique stated to be capable of the economical production of oil-lubricated bearing bushes up to 1,500 mm. inside diameter. Intended to replace white metal on merchant vessels ranging from 2,250 to 540,000 dwt., there are several advantages claimed for these bearings. They are 17 times more elastic, allowing greater acceptance of edge loading from shaft misalignment or deflection (main

three-term solid state proportional controller using a Chromel/Alumel sensor. The controller has zero-voltage switching which virtually eliminates mains-borne radio frequency interference.

The bath maintains a 0.2 degree C. stability, and by using the "dead bed" of solid insulating medium resulting when the air-flow is cut off, a short-term stability of 0.01 degree C. can be obtained.

With an integral fail-safe system, effective dust extraction, and measuring 850 x 450 x 850 mm., the FB-07 can be operated on any laboratory bench, giving heat transfer rates approaching those of oil or salt baths but without the inherent dangers.

Diamond to cut shaped carbides

COMBINATION of craft skills and precision-formed natural diamond tool tips enable Kennametal, of Brierley Hill, Staffordshire, to create intricate shapes economically in tough, abrasive "green" carbide.

Typical of the high-precision products manufactured by the company using craft methods is a die made in K94 grade carbide for the metal can industry. The rectangular slug which forms the basis of the die is first sliced to

approximate size and then ground with a wheel electroplated with 370/325 U.S. mesh De Beers SMD-MB natural diamond to provide a blank with the required accuracy and finish.

The ground blank is then clamped to a vertical spindle mill on which the craftsman carves out the required shape by the diamond milling technique. The machine's single-point diamond tool manufactured from a De Beers octahedron natural diamond of up to 1-carat in weight, rotates at 3,000 rpm and cuts with short forward and backward traversing passes manually controlled by the craftsman.

Further details on this application of diamond from IDIB, Ascot (0990) 23486.

DATA PROCESSING

Nova uses in-house circuits

FURTHER minicomputers have been introduced by Data General that extend the company's product pricing well below the Nova 2/4 while approaching the performance of the larger Nova 8/16.

Nova 3 machines have MOS semiconductor main memory that—in a novel departure—uses 4k NMOS random access memory (RAM) designed and manufactured by the company at its Sunnyvale, California plant. However, an alternative memory board is to be made available using MOS parts supplied by Texas Instruments. According to Data General, this is the first time that a "small computer company has extended vertical integration down to the level of complex MOS devices."

Reasons for the in-house IC move includes, it is understood, assurance of supply continuity and the ability to obtain precisely the product desired.

It is an interesting inverse of the position now taken by some semiconductor manufacturers who have decided to move the other way and make micro and minicomputers.

Nova 3 is intended for the original equipment manufac-

turer, particularly in the fields of industrial machinery, process control, medical equipment and communications systems, but will also be supplied to turnkey software house and systems houses.

The machines are available with core memory in 8k and 16k word increments, or MOS semiconductor memory in 4, 8 or 16k word increments. They are compatible with Nova-line software and the company's existing peripherals and are supported by its real time operating system (RTOS) and real-time distributed system (RDOS) along with high level programming languages.

Typewriter magnetic media

IBM-COMPATIBLE magnetic cards and tape cartridges for word processing applications are the latest products offered by IBM's word processing group. Prices are up to 30 per cent cheaper than those charged by IBM.

Scotch MT/ST 530 magnetic cards and holders are designed specifically for use with IBM magnetic card typewriters and word processing systems. Each attractively designed mauve-coloured slip-top box contains 25 cards and

holders. Fifty recording tracks are provided per card, each of which is capable of storing 2,000 characters (approximately two typewritten pages). The reverse sides of the cards carry an anti-static coating to reduce dust attraction, and write-on corners are provided to allow for colour or numerical coding.

Scotch MT/ST 221 magnetic tape cartridges are for use with IBM's MT/ST typewriter and MT/SC composer. The 100 foot length tape records up to 24,000 characters (approximately ten typewritten pages) and removable write-on labels are supplied.

Both products carry unconditional warranties against manufacturing defects. MT/ST, 3800 Narrow Road, London, WC9 9HU. (01-286 6044).

Gives stock information on demand

A NEW company called Electronic Stock Control Systems has been formed to market in the U.K. the "DM" series of stock information and management systems made by Omron Tatetsu Electronics of Tokyo.

Most comprehensive of the models is the DM 200 which can deal with up to 6,400 stocked items, each identified by an eight digit item code number. The machine immediately processes "into stock" and "removal from stock" transactions (via sales digits or group of digits can have whatever meaning suits the

user's operation. Type, size, colour, location in store, supplier and many others can be accommodated within the eight digits, and the operator can ask for a stock status and transaction reports, mostly in a matter of a few seconds and at the touch of a few keys.

The unit measures 650 x 700 x 860 mm. and weighs 75 kg. The operator's table top section, roughly typewriter shaped, has groups of keys for numerical input, functions, clearance, data of it.

The DM 200 costs about £9,000, but less complex models with fewer facilities are available down to £2,500. The machines can be leased, a typical figure at mid-range being about £25/week on a five-year contract. More from the company at Promenade Chambers, Edgwarebury Lane, Middlesex. (01-859 3926).

INSTRUMENTS

Checks on coatings

INSTRUMENTS for measuring coating thickness on ferrous or non-ferrous substrate, and others for gauging the roughness of a surface have been announced by Elcometer Instruments, Edge Lane, Droydsden, Manchester M35 6PU (061-901-7811).

Minimeter model 180 is a flying lead probe plus indicator

system available in three versions for ferrous substrates, non-ferrous or for dealing with both. The contact probe incorporates electromagnetic and eddy current sensing coils operated at high or low frequency for ferrous and non-ferrous substrates respectively.

Readings are on a 90 mm scale-length meter and there are 14 scale options covering, coating thickness up to 1.5 mm. Accuracy of ± 0.5 per cent of reading is claimed.

An optional facility allows the probe to be removed from the surface while the reading is maintained on the meter. The last reading is always held, making repetitive measurements easier.

The probe is 61 mm. long by 13.6 mm. diameter, while the contact probe is 104 x 45 mm. and weighs 630 gms.

The other instrument, called

"Roughector," is a hand-held microscope in which a 7 mm. long, extremely narrow and intense line of light is projected at 45 deg to the surface. Light is reflected according to the surface profile along the line, and the resulting peak and valley representation is magnified some 50 times and displayed on a ground glass screen. A measuring graticule can be optically superimposed, providing 100-0.100 microns calibration in 25 micron steps.

A major application, states the company, is in assessing the surface roughness of steelwork before painting; acceptable limits are usually taken to be 0.01 to 0.1 mm. Rougher surfaces consume excessive amounts of paint or other protective coating while smoother ones provide poor adhesion. The instrument measures 287 x 127 x 120 mm. and weighs 2.5 kg.

COMPONENTS

Improved moulding methods

TECHNIQUES permitting the production of tiny plastic components to extremely high tolerances and with complete elimination of flash problems have been developed by A. T. Harrison of Newton Abbot (Stadium Group).

An extreme example of the work possible with the techniques and tooling is a series of containers made in diallyl-phthalate, the largest of which measured only 7.62 x 3.75 x 3.25 mm. and the smallest about

half that. The wall thickness was only 0.25 mm. and nickel steel was used for the mould tool material.

The process has been automated whereas in the U.S. similar work is being done by manual methods.

The same company has introduced the use of submarine gates in the mass casting of thermosetting components, eliminating a great deal of the unusable runners and sprues associated with conventional thermoset handling. Faster curing and overall cycle times are also claimed and one user has been able to cut costs by as much as 18 per cent.

Stadium is at Queensway, Bexley, Middlesex EN4 3SD. (01-804 6343).

ELECTRONICS

Tells two times

AN ELECTRONIC watch circuit that will give the time applicable to two time zones has been developed by National Semi-

conductor. Suitable for the development of a traveller's digital watch, the MM5880 is a six function device providing all the signals needed to drive a four-digit LED display for hours, minutes, seconds and month/week/date under control of a single push button.

A second push-button would

control the display of hours, minutes and seconds in a different time zone, thus enabling travellers to keep track of "home" time while abroad.

Versions are available for the U.S. or European style of month/date presentation and either can be connected to display 12 or 24 hour clocks.

Outputs interface with standard bipolar segment driver and digit driver circuits, and operation is from any dc source of 2.4 to 4.0 volts. Circuit chips are supplied in suitable form for hybrid assembly into watch modules. More from the company at 19 Goldington Road, Bedford MK40 3LF (0234 21282).

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PRODUCTS

Sweeping challenge to imports

ALL BRITISH industrial—the Challenger—with improvements over in machines is launched by S. Machines, "Ashfield," 100 Road, Greaton, Northampton BN2.

Suitable for both interior exterior work and represents a big advance in dust control waste removal, it is fitted dust filter over twice as 15 square metres, as in 15 sq. units.

Its sweeping action can everything from nuts and loose masonry, gravel, metal and plastic chips to paper and hospital waste damage to the machine, the tightest corners.

Full shift (eight hours) work is possible with one battery. But two battery sizes are available normal operation. The machine is also offered powered by duty 64 h.p. gas or petrol. Broadley is on Greaton 1241 470.

SOFTWARE

Converting Philips

DIFFICULT and complex software conversion tract awarded to Data Ltd. Philips Industries calls massive conversion of IC software to run on IBM and other machines a generation.

The IBM already exists the organisation and the move is seen as consolidating a single manufacturer, the £4m. conversion cost is price to pay for uniformity. There will be full-time for 20 senior staff at Data for many months and a phase is completed, it is subject to acceptance by Philips.

Data Logic has developed number of software aids in basic character strings, macros and the software is enough to allow it to equally to languages a similar in syntax as COBOL FORTRAN.

The company has been with conversion problems 1967 and has taken the on in competition with two software houses specialise conversion work. Data Logic, Westway 320 Ruslip Road East, Ford, Middx. (01-878 9111).

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Consolidated Statement of Condition

SEPTEMBER 30

ASSETS	1975	1974
Cash and due from banks	\$ 88,142,599	\$ 79,421,524
Interest bearing deposits with banks	217,278,827	132,213,011
Precious metals	22,786,189	4,101,666
Investment securities:		
U.S. Government obligations	29,887,200	9,310,629
Obligations of U.S. Government agencies	56,782,624	63,896,102
Obligations of states and political subdivisions	127,630,585	127,350,606
Other	26,998,485	31,313,530
Total investment securities	241,098,894	231,870,867
Federal funds sold	80,000,000	105,000,000
Loans	650,843,025	454,444,587
Customers' liability under acceptances	53,849,970	53,402,628
Bank premises and equipment	13,539,069	13,193,513
Accrued interest receivable	22,904,840	16,827,309
Other assets	48,245,974	27,237,190
	<u>\$1,439,490,387</u>	<u>\$1,117,712,295</u>
LIABILITIES AND CAPITAL		
Deposits	\$1,361,700,548	\$ 903,199,164
Federal funds purchased	—	—
Other liabilities for borrowed money	1,520,914	6,986,252
Acceptances outstanding	54,722,606	54,200,208
Mortgages payable	2,629,803	2,722,887
Accrued interest payable	45,839,674	29,131,500
Other liabilities	26,062,069	12,587,902
Unearned income	13,014,954	8,205,850
Allowance for possible loan losses	9,798,751	8,140,269
CAPITAL FUNDS		
Capital notes	808,000	808,000
Stockholders' equity:		
Capital stock	21,482,080	21,482,080
Surplus	44,252,511	22,070,365
Surplus representing convertible capital note obligation assumed by parent corporation	13,402,000	14,980,000
Undivided profits	44,258,477	33,197,817
Total stockholders' equity	123,393,068	91,730,262
Total capital funds	<u>124,201,068</u>	<u>92,538,262</u>
	<u>\$1,439,490,387</u>	<u>\$1,117,712,295</u>
Letters of credit outstanding	\$ 42,227,444	\$ 37,698,069

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هكذا من الأصل

The main growth-factor in industrial exports has been the upsurge of new industry under the Governments programme of tax relief and incentives. Both Irish and foreign-owned firms are active in sectors such as engineering and metals, chemicals and pharmaceuticals from which the bulk of export expansion has come. Export 1974

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Applications will open at 10 a.m. on Thursday, 23rd October, 1975, and will close at any time on the same day.

Under the City of Bristol Act 1974, the Council has the pleasure of announcing that it has decided to issue £15,000,000 of Redeemable Stock, 1981.

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ISSUE OF
£15,000,000 CITY OF BRISTOL
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Rate of Interest 9.94 per cent.

Payable as follows:

Interest on the above Redeemable Stock will be payable half-yearly on the 1st March and the 1st September, 1976, and on the 1st March and the 1st September, 1977, and on the 1st March and the 1st September, 1978, and on the 1st March and the 1st September, 1979, and on the 1st March and the 1st September, 1980, and on the 1st March and the 1st September, 1981.

The Redeemable Stock will be issued in the form of £100 Stock, and will be redeemable on the 1st March, 1981, at a price of £100 plus any interest due thereon.

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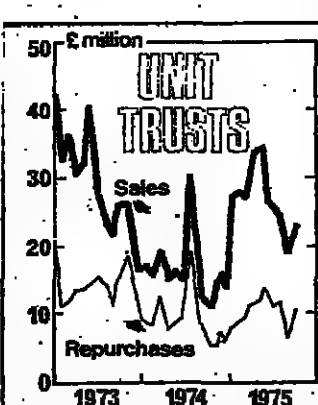
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Unit trust sales recover to £23m. in September

BY CHRISTOPHER HILL

UNIT TRUST sales recovered in September to a gross £23.01m. compared with £18.77m. in August.

Sellers also reappraised after the traditionally flat August and repurchases increased by £3.75m. to £10.17m. This left the net new investment figure for September marginally higher at £12.84m. compared with £12.34m. for August and roughly the same for July. The peak for net new investment was £21.9m. in April.



Stable market

The improved level of gross sales reflects that the major unit trust groups have been selling recently about the level of sales (income funds and those with an overseas orientation have been selling well) and it is also likely that the more stable condition of the market helped. The FT all share index showed a slight increase during the month. There was one initial offer in September from the Key Energy and Industrial Fund but this would not have made much difference to the figures. There were two initial offers in August.

The cumulative figures for the first nine months of this year show that, whatever happens in the final quarter, this year is going to be much better than last year and comparable with 1973. The value of sales amounts to

£243.52m. against £151.25m. for the same period in 1974 and £238.17m. in 1973. Repurchases so far this year are £93.74m.—not much more than the £90.12m. for the first nine months of 1974 and well below the £126.26m. in 1973.

This leaves the cumulative net figure so far at £149.78m.—more than twice the comparable figure of £61.13m. for 1974 and not far off the £162.91m. achieved in 1973.

Monthly average

The monthly averages also look much better and although the September gross sales figure is below the monthly average of £27m. for the first nine months, it is considerably better than the average for the corresponding period last year—£16.8m. The September average is more comparable, around the £10m. mark.

The total value of funds has improved to £2.28bn. compared with £2.22bn. for August and only £1.97bn. in September, 1974.

'Governments betrayed savers' says Scots actuaries president

BY ERIC SHORT

PEOPLE WHO responded to exhortations of past Governments to save had been rewarded with a despicable betrayal, Mr. Maxwell Thornton said in his presidential address last night to the Faculty of Actuaries in Edinburgh.

Inflation, which Governments permitted to go unchecked, caused the real value of National Savings entrusted to them by the public to fall by billions of pounds. The intentions of Governments had been good but the results were equivalent to large-scale embezzlement.

Mr. Thornton said measures by Governments to avoid a costly large-scale unemployment were like taking drugs in increasing doses to avoid pain. Inflation

was the opium of the people. The choice for the nation was to accept economic paralysis by continuing inflation or endure the appalling economic agonies of withdrawal pains as inflation was reduced and finally stopped.

He praised the present Government for the measures being taken at the eleventh hour. This required great political courage, but greater courage and total honesty with the people would be needed in the next phase when it came to grips with reducing and eliminating inflation.

Pay cuts

The stand taken next year must not involve freezing present pay structures, but reducing wages and salaries unless production

was increased. Nothing less than such drastic action would end inflation.

Referring to the financial difficulties experienced by some newly formed life companies last year, Mr. Thornton said the principle of caveat emptor—buyer beware—no longer seemed to apply to selling life assurance. Consumer protection was now the principle.

The sense of outrage over policyholders being let down arose because they did not realise that with a new company there was a risk. They thought their contracts were as well secured as those offered by old-fashioned companies following well-trodden paths.

As a further measure of policyholder protection, he suggested that no company be allowed to use the words "Life" or "Assurance" in its name unless at least 90 per cent. of all profits went to the policyholders. He wanted the public to be able to distinguish clearly by the company name whether it was primarily in finance and investment or life assurance.

APPOINTMENTS

Mr. J. R. Cater is deputy chairman of Distillers

Mr. J. R. Cater has been appointed deputy chairman of THE DISTILLERS COMPANY. Aged 56, he has been a director of the company since 1967 and a member of its management committee since 1970.



Mr. J. R. Cater

Mr. E. J. Hasfield has resigned from the Board of BEYER, PEACOCK AND CO. and of its subsidiary, RICHARD GARRETT ENGINEERING.

Mr. Ian A. Thomson has been appointed sales director of E. NICKERSON AND CO. of Manchester.

Mr. Keith Ames has been appointed London sales director of CHARLES WEBB OFFSETS, one of the Osley Printing Group's main subsidiaries.

Mr. P. Foreman has become financial director of the CERNOS GROUP OF COMPANIES and has been appointed to the main Board.

Mr. Peter Desbottes has been appointed chief dealer of TOZER STANDARD AND CHARITRED, the merchant bank owned jointly by Standard Chartered Bank and TCM.

Mr. G. R. Turner, an assistant general manager of LLOYDS BANK, has been appointed to the general manager responsible for banking business in the bank's Midlands area. He succeeds Mr. J. A. D. Freeman, who is retiring on January 31 next after 45 years' service with the bank.

J. E. BEALE, the Bournemouth department-store group, has made the following changes in Board members: Mr. Beale, who has effect from October 27, Mr. Nigel Beale becomes director of trading; Mr. Ronald Beale, director of services; Mr. Anthony Beale, director of buying; Mr. Norman Beale remains chairman with special responsibility for development and expansion, and the responsibilities of Mr. Frank Beale as director of personnel; and Mr. Keith Priestley as director of finance and company secretary are unchanged, while Mr. Robin Eve remains a non-executive director.

Mr. J. Shiancoe has been appointed a director of FRELEX INTERNATIONAL, the U.K.-based European purchasing and projects development company of the Mesurado Group of Companies, Liberia. Mr. Shiancoe is also general manager of Swiss African Trading Corporation in Liberia, another company in the Mesurado Group. Mr. F. Ward has been appointed commercial director of Frelex International. He has just returned to the U.K. after nearly 20 years' trading in Africa, and was latterly vice-president-trading for the Mesurado Group in Monrovia.

Mr. Robert G. Repenack has been appointed general manager of the London branch of BANCO DE JEREZ S.A.

AL-BANK AL-SAUDI AL-AMALI (Saudi International Bank) has appointed Mr. Ernest H. Angell, manager, treasury division, Mr. John E. Day, manager, finance and control division, and Mr. Pierre Gendreau, manager, general banking division. Mr. Angell was previously an assistant general manager of the United Dominions Trust with responsibility for all international money operations. Mr. Day was

previously a manager in the administrative services division of Arthur Andersen and Co. in London. Mr. Genieau has been seconded from the Banque Nationale de Paris.

Five new directors have been added to the Board of BANKERS TRUST INTERNATIONAL, the merchant bank subsidiary of Bankers Trust Company, New York. They are Mr. Richard J. Bentley, general manager of Bankers Trust AG, Switzerland; Dr. Eckhard Gottschalk, general manager, Deutsche Unionbank GmbH, Germany; Mr. David M. Soars, chairman, Ord-Six, of Australia; Mr. Jo Holvoet, managing director of Banque du Benelux, Belgium; and Mr. Frederick E. Schwartz, vice-president, Bankers Trust Company, New York.

Mr. George M. Turner, former president of P & O Lines, North America, has been appointed a principal in the newly-reorganised marketing counsel and service company, BEVL, BOYD AND TURNER INCORPORATED.

Mr. Kurt Fazzander has been appointed divisional director of the ASSI (AB STATTENS SKOGS-INDUSTRIER) sheet materials division as from January 1 next.

Leyland Special Products reports that Mr. Frederick Clem has been appointed managing director of MARSHALL-FOWLER (1975), the British Leyland subsidiary recently acquired from the Thos. W. Ward group (as Marshall-Fowler). Mr. Clem, who is based at the Marshall-Fowler Britannia Works in Gainsborough, Lincs, has held several senior management positions in British Leyland since he joined Scammell Lorries as managing director in 1967.

Mr. Peter Graham Wreford has been joined the Board of R. GREEN PROPERTIES. He is chairman of Gresham Trust and a director of a number of other companies.

Mr. Kenneth Hearnshaw, former chairman of HENRY WIGFALL AND SON is to remain on the Board as a non-executive deputy chairman. Mr. Frank Worrell has been appointed chairman, and Mr. Richard Morrell, group managing director. Mr. Anthony Dicks assumes specific responsibilities as commercial director.

OFFICE AND ELECTRONIC MACHINES LIMITED

Distributors for the United Kingdom of Adler and Imperial Typewriters, Calculators, Copiers and other office machinery.

Interim Statement for Half-Year to 30th June 1975

	6 months to 30.6.75	6 months to 30.6.74	Year 1974	Dividend. An interim dividend of 1.05p per share on 6,124,578 25p Ordinary Shares has been declared, payable on 6th January 1976 (0.98p per share on 6,000,000 25p Ordinary Shares for 1974).
Profit before taxation	709,578	659,781	1,388,779	
Taxation	388,178	345,365	691,355	
Profit after taxation	321,400	313,396	697,424	
Earnings per 25p Ord. Share	5.25p	5.12p	9.72p	

EXTRACTS FROM THE CHAIRMAN'S STATEMENT

As forecast in the 1974 accounts, the additional turnover arising from our new subsidiary Imperial Business Equipment Limited, has been sufficient to cover the expected increase in overheads, with the result that the net profit before tax has risen from £658,761 to £709,578.

Coupled with strong liquidity, this is sufficient justification for increasing the interim dividend in the expectation that we shall be able to pay the maximum allowable on the total distribution for the year. We therefore remain confident of the continued success of the Group.

ADLER

Office and Electronic Machines Limited,
140-154 Borough High Street, London, SE1 1UH.

OEM

These Securities are not being offered to the public.

NEW ISSUE

October 21, 1975

\$20,500,000

Auburn Industrial Development Authority

Auburn Steel Company, Inc. Project

\$18,600,000 9½% Series A Bonds due 20 years
\$ 1,000,000 8½% Series B Bonds due 20 years
\$ 900,000 8½% Series C Bonds due 10 years

Auburn Steel Company, Inc. (a joint venture owned by Ataka & Co., Ltd., Kyof Steel Works, Ltd. and Ataka America, Inc.) financed a major portion of its cost to construct a mini-steel mill in Auburn, New York through the placement of the above securities. The Sumitomo Bank Limited and the Kyowa Bank, Limited guaranteed certain obligations under the terms of the transaction.

The private placement of the above securities with United States institutional investors was accomplished with the assistance of the undersigned.

Merrill Lynch, Pierce, Fenner & Smith

Incorporated



The day we turned a pipedream into a pipeline

As you read this, one of the most exciting petroleum engineering projects ever undertaken is reaching completion.

The project is a pipeline. The terminal location is Teesside. And the end result is oil—oil piped direct from the North Sea.

The whole operation took shape as the result of an oil strike in late 1969. Then, realising the long term possibilities of such a strike, the Phillips Norway Group put forward a daring plan to run a pipeline from its Ekofisk field over 200 miles out in the North Sea to a reception terminal at Teesside.

Six years later, the longest oil pipeline in the North Sea and the biggest terminal of its type in Europe—at a cost of £120 million—are nearly complete.

But behind that simple statement go examples of pioneering technology, determination and a sheer weight of statistics which may never be equalled.

To work on the field, for example, we bought and installed the world's two largest compressors. At the time of laying, over half the world's entire pipe-laying resources went into the construction of this single line.

Each section of pipe is 40 feet long, 34" in diameter, and needed to be welded to its neighbour. Since the finished pipeline is 220 miles long, that's almost thirty thousand welds in all.

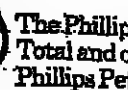
Each weld then had to be checked by X-ray and the whole line was pressure tested. And the total capacity of the Ekofisk—Teesside pipeline is a staggering million barrels of crude oil each day.

Even before the pipeline is operational, we have brought in a painstaking eleven million tons of North Sea crude oil by tanker.

Now it's complete, it ranks as one of Europe's major energy arteries. It also ranks as an example of the best kind of international co-operation. It not only benefits the local community. It will also bring much needed energy resources to the countries of Europe.

PHILLIPS NORWAY GROUP

Pioneers in the North Sea



The Phillips Norway Group includes Phillips Petroleum (operator), Agip, Petrofina, Norsk Hydro, Elf-Aquitaine, Total and other French interests.

Phillips Petroleum Company, Portland House, Stag Place, London, SW1E 5DA.

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expressed in the Commons yesterday to publish in Hansard information about the eight burglaries which he intended to include in his evidence to the Royal Commission.

Mr. Wilson, in written reply, Mr. Wilson said: "Mr. Blaker (C. Blackburn) said: 'It is not my intention to publish my evidence piece-meal.' As he had explained earlier, all the burglaries had been planned and carried out by the same gang, and he intended to give in evidence to the Commission the whole of the story, from the planning to the execution of the burglaries, in a written report to the Commission."

Mr. Wilson replied: "The proceedings which must be completed are those write for libel issued by me and members of our staff in the last week of April 1972."

The year 1974 was from the point of view of traffic a most successful one providing us as it did with a record figure in terms of tonnage. Our earnings have also been a considerable improvement over 1973, although the return on our investment as represented by the remittable profit was very small indeed, being only 2.2 per cent.

Our discussions with the Central Bank have in general been encouraging, although it is to be regretted that we have been unable to obtain an enterprise agreement to persuade them to the remittance of the whole of our small profit for 1974 in one amount instead of four annual instalments. We shall not be satisfied though until we have acquired either from the Central Bank or from the Foreign Investment Committee the right to remit our profits instead of having to be dependent on such outside agencies as the Government of Chile and Mr. Blair, our managing director, will in two days' time be leaving for Chile to renew negotiations there.

As for 1975, in terms of traffic this year is not proving to be quite as good as 1974 in as much as for the nine months to September total tonnage was some 7 per cent less than for the same period in 1974. This decrease has occurred solely in the Chilean traffic because of the Bolivian Government's policy in minerals and the Up traffic, chiefly wheat and flour, have increased. Undoubtedly the Chilean decrease is in part the result of the lower price of copper on the world market, copper traffics being down 9 per cent on the corresponding period last year—but I am hopeful that as its price is now showing a modest upward trend, the volume of Chilean copper exports will improve with benefit to the railway.

There is a special reason for our profits to date as comparable with those of 1974 at this time, despite the fact that we have had to cope with inflation and devaluation, both of over 250 per cent, in nine months.

Although it is difficult enough to forecast, even at this late date, what the profit for 1975 will be, it is even more difficult to forecast how much of it, in terms of sterling, will be remittable in May or June of next year. By then we shall have had seven or eight more months of devaluation to contend with, and the Board must be aware of the ways in which we can protect our current peak profits against its ravages. We are, though, constantly seeking ways to preserve in some way the exchange value of our net earnings.

The Board nevertheless has sufficient confidence that a modest cash flow from Chile will be maintained and in consequence has this morning decided to pay on 2nd January 1976 the 1975 year's dividend on the 5 per cent Cumulative Preference Stock on account of the arrears outstanding. After that payment those dividends will be two years in arrears.

To sum up, therefore, although we are making progress in Chile, and our financial situation is a great deal better than it was, we cannot yet see our way clear to a soundly based future, but I sincerely hope that within the next few months something more definite will emerge.

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1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1601 UV-Visible Spectrophotometer.

The Executive's World

EDITED BY JAMES ENSOR

Europe's smallest motor and aircraft company is also the most profitable. James Ensor explains its philosophy

Saab's slow Swedish style pays off in profits

It has become an accepted conventional wisdom that the conventional wisdom of the car division sold a total of 88,000 cars in 1974—roughly what General Motors would sell in two working days. The Scania truck division sold 18,000 trucks, Saab's aircraft division delivered 37 Viggen fighters to the Swedish air force and Datasaab's sales of office computers can be counted in units rather than thousands.

Yet despite the tiny scale of Saab-Scania's various enterprises, it ranked during 1974 as the most profitable automotive company in Europe. Since the company does not break out the profitability by division, it is hard to make realistic comparisons with other European aircraft or computer companies, but many of them lose money, while none of the major Saab-Scania operations are in the red.

Government

Government business accounts for most of the aircraft division sales and for a fair proportion of the computer companies, but Saab-Scania is far from being a company which lives off a generous state. Indeed, some 42 per cent of its total output is exported, and the Scania truck division, which is by far the biggest, exports 75 per cent of its

trucks. Scania trucks are built in Holland and Brazil as well as Sweden and Saab cars in Finland; Scania buses are being built for amongst others London Transport and Saab Drakens and Viggens fly in the Finnish and Danish air forces as well as the Swedish.

Saab-Scania as a company is little known outside the small circle of its customers and agents. Its president, Mr. Curt Millekowsky is a shy man who gives few interviews and concerns himself mainly with the aircraft company and its relationship with the Swedish Government. But Saab-Scania operates as a highly decentralised group as far as product and marketing policy is concerned. Each division has its own vice-president and its own headquarters in a different town.

The secret of Saab-Scania's remarkable success is its careful choice of investment projects and its slow, secure development. At the end of the war, Saab, then an aircraft company alone, decided that it should diversify into products that would be more in demand in war-torn Europe. Household appliances and prefabricated houses were considered, but the choice settled on cars because of the similarity in

production methods.

Saab designed an ugly but aerodynamic two-door car with a two-stroke, two-cylinder engine copied from the pre-war German DKW and set about converting the aircraft plant at Trollhattan to build it. By 1950, the Saab 92 was being produced at the incredibly low rate of 1,200 a year but in a Europe starved for cars, anything that was built could be sold.

Durability

The early Saab cars were incredibly crude, with outdated engines and suspensions that gave severe handling problems. So for that matter were Saab's independently designed aircraft, such as its first post-war plane a twin-tailed pusher prop machine of remarkable ugliness.

The Saab 93, despite its crudity, won the Swedish rally, the first for which it was entered. Since then, Saab cars have won at one time or another most of the important rallies of the world and their durability and ruggedness has been constantly developed in a testing school.

The basic design of the 92, of 1945, was continued with

relatively little stylistic variation but improved engines and components, as the 93 and then the 96 which continues in production to-day. By building the car for three decades Saab has been able to build up a production run of half a million. The Saab 99, which has been running for only six years, is now edging towards its quarter million.

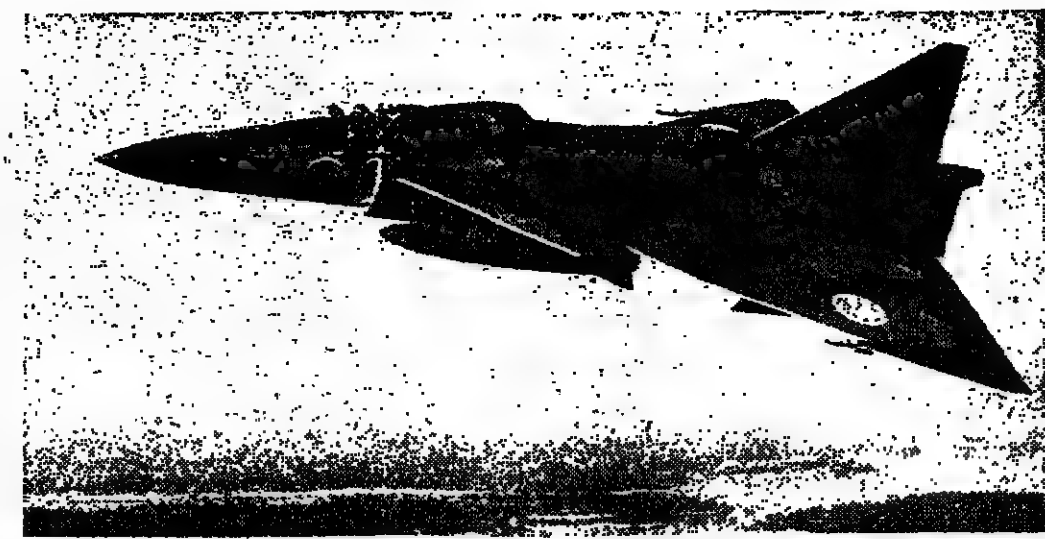
Aircraft, too, tend to stay in production for a long time at Saab. The Draken, which first flew in 1957 is still in production, to-day, as a trainer and strike fighter. The Viggen, introduced in 1969, is still being delivered as the first line fighter for the Swedish air force.

In the truck field, of course, modernity in design plays a very secondary role to reliability and durability. Scania, building powerful trucks of very conventional design but to very exacting engineering standards, has won itself a strong place in the market in such tough terrain as Brazil, Finland and Norway. Although its designs change rarely, they do not drop behind the market needs, and for a number of years Scania was building the most powerful road trucks in Europe.

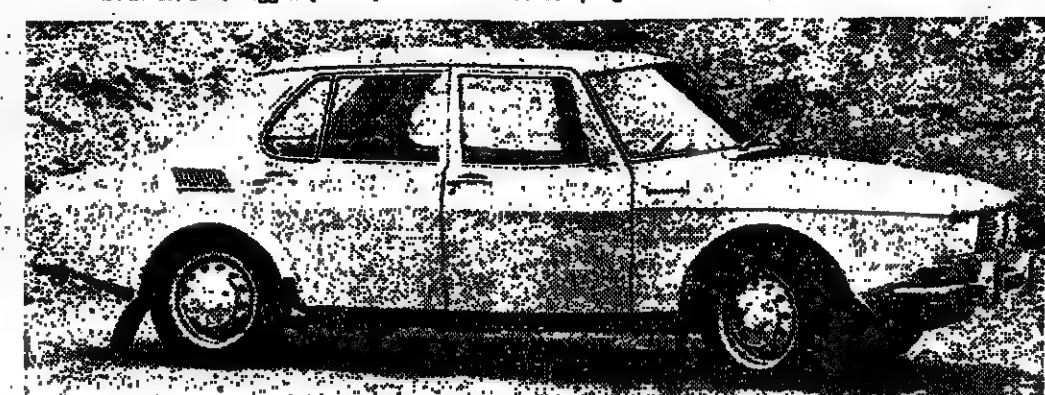
Merger

The merger of Saab and Scania in 1968, both companies in which the Wallenius family had interests, brought a lot of extra assets to Saab. The foundry and plant at Soderstalle could be used to make engines and gearboxes for Saab cars, reducing its reliance on bought-in components from Ford and Leyland. Scania's greater sales network could provide Saab with an entry into markets further afield than Scandinavia, Britain and North America, on which it had initially concentrated. And it gave greater financial security against a downturn in the volatile car market or a sharp cut in military spending.

By the Seventies, Saab-Scania had largely outgrown its origins as an aircraft company with trucks providing almost half the sales and cars one-third. 1974 was the best year ever for the passenger car division, which as vice-president Mr. Perren Astrom admits "was a little surprising." Saab weathered the energy crisis easily, since the Swedish market boomed during 1974 and sales lost overseas could be replaced on the domestic market.



Both the Saab Viggen (above) and the Saab 99 are programmed for very long production runs.

Len Gooding describes his experiences of industrial promotion
lard sell in a VC10 to Nice

ory visits go there can a few to compare with arranged by Ingersoll. It invited 75 buyers process plant and its to look round its new plant near Manchester. The guests, all based on area, were asked along their passports after the factory tour, could be served some- side the U.K. The trip Thursday evening at Hotel in London, the next day to Manchester. A chartered British VC 10 and ended on afternoon when the night the party back mystery destination—

can have been few when the "hard sell" was in such an accept- age, even in the oil. This is a day-by-day of how Ingersoll-Rand heshaw on the map. As 4 p.m. Guests start the Gloucester Hotel, rooms they find an case, half-bottle of wine and other gifts.

Cocktails are served at 8. Dinner at 8.30. Thursday 11 p.m. One of the guests tells how he recently put £1m. of business I-R's way. Further inquiries reveal that most of the buyers would be in the market for the equipment, large compressors, and prime movers, made at Wythenshawe and could place contracts worth up to £2m. Suddenly the lavish hospitality seems to make sense.

Friday 8.30 a.m. Here comes the hard sell. In spite of the American-style early start there are only one or two stragglers as Mr. Fred Haddfield, managing director of the I-R U.K. operations opens the briefing session. His approach is light-hearted. But he says I-R's U.K. turnover will be between \$65m. and \$70m. this year, a big jump on the \$39.3m. last year. Friday 9.20 a.m. During the break, when tomato juice is served instead of the usual coffee, I talk to Mr. Bill Weary, chairman and chief executive of I-R. He confirms that I-R has had fewer industrial relations problems in the U.K. than in the States and the product-

ivity is no lower here than in the U.S. He concentrated on putting over this message in his opening remarks earlier because the company sensed a decided nervousness among potential customers when they found the equipment would be coming from the U.K. This was particularly noticeable in the oil industry where delivery on time is paramount.

Britain's bad image on the industrial relations front had gone about as far as it could. "When you have a strike it's a major one and it gets plenty of publicity." The unions, said Mr. Weary, should be less concerned with politics and pay more attention to traditional trade union matters.

I-R will be ploughing another £10m. into the U.K. during the next 18 months, mainly at Wythenshawe and Trafford Park and Handier Green nearby in the Manchester area.

Friday 9.40 a.m. The briefing continues. I-R is determined to become a major supplier of process machinery and turbo machinery and the briefing is an attempt to assure potential buyers that it has the financial muscle and expertise to do so. So out come the financial statistics. I-R had sales last year of \$1.4bn., earnings of \$101m., has allocated another \$135m. to expand and improve manufacturing capacity, and this year will spend \$50m. on engineering and development. The fact that equipment is built to a standard world-wide specification whatever I-R plant it comes out of is emphasised. We get details and photographs of installed I-R equipment.

Friday 10.30 a.m. On the way to Heathrow by coach. One of the buyers insists that this will prove to be "a very cost-effective exercise." He says he will get a thorough briefing on what I-R can do and will have immediate access to top executives to discuss any points which might crop up. This face-to-face with the I-R executives was important because the trip would give time for friendships to be formed, goodwill generated. "And when you are in a business where the technology, the price and the delivery quoted by several companies might be all within splitting distance of one another—then a little goodwill goes a long way."

Friday 12 noon. Take off under the command of British Airways' VC-10 fleet captain D'Arcy. The flight to Manchester is stretched to 14 hours to allow time for a champagne lunch. The aircraft takes us for a look at Dublin on the way to Manchester. Mr. Fred Haddfield explains I-R's build up in the U.K. After I-R acquired Wythenshawe three years ago it pumped in more than \$4m. of working capital and \$5m. on equipment. Another \$1m. will be invested during the next 18 months. The order intake has declined though Fred Haddfield reminds me that "in this business you only have to have one or two large orders come in and the whole situation is changed." A couple of large tenders are outstanding and success could give the U.K. business a two-year order book.

Friday 2 p.m. The factory tour begins. The first impression is that I-R was lucky to find such a plant at the right

time. GEC built the plant to make large transformers and it had some equipment already installed—an overhead travelling crane of 200 tons capacity for example. After GEC closed down Wythenshawe I-R bought it.

The 30 machine tools put into Wythenshawe by I-R have all been labelled for the visit. Details of the machine, its cost and the name of the operator are given. Shopfloor co-operation is certainly obvious today. For example, one of the big cranes is being used for carefully stage-managed lifting operations.

Friday 5.30 p.m. The aircraft takes off for "point X." Tea is served along with more potent drinks. A man from I-R tells me that they were busy fixing the last of the door handles on the office block at Wythenshawe only minutes before the party arrived. There now seems to be at least one I-R man for every guest on the trip. While others are trying to guess where we will end up for the night, one of the buyers is discussing bribery in the engineering industry—a subject raised a week previously in The Engineer magazine. It can only exist at the lighter end of the business, he insists, not where the purchase of really heavy equipment is concerned. When his company is doing the engineering for a project, the designers are not allowed to specify any particular manufacturer's equipment. Once the scheme is complete, his company would ask for tenders from every manufacturer.

Of the I-R visit he says: "I know their equipment pretty well already. But this has been useful because it has given me a comfortable feeling about the group's financial weight. You can be sure that it will deliver anything you order and won't go out of business and leave you in the lurch."

Friday 7.45 p.m. "Point X" turns out to be Nice. The party descends to the Negresco, a luxury hotel in the Grand style, recently designated as one of France's national monuments. Louis XIV

Friday 8.30 p.m. Dinner in the Louis XIV restaurant at the hotel. One of the other guests, a consultant, says that the oil companies are always very good hosts and lay on everything he asks in the way of facilities—"they think nothing of letting you use a helicopter for a couple of days so that you can get around to see quickly what you need to see." He admits that much of the morning briefing session "sailed right over my head—it was just too early in the morning."

Friday 11.45 p.m. The meal is over. The mood is good-humoured. Nice is bound to be livelier than usual to-night. Saturday 1 p.m. At Nice airport. Some of us try to guess at the cost of the trip. We know that a two-day charter for the VC-10 is about \$8,000 so we plump for a round figure of \$25,000. "Cheap at the price when you consider the kind of contracts it might bring," someone comments. Saturday 3.30 p.m. Arrive at Heathrow half an hour ahead of schedule.

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behind bars

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Mr Healey and the markets

THE HEAVY falls in Government stocks yesterday, and the depression of the equity market, are an only too eloquent comment on the Chancellor's Mansion House speech and the political exchanges about public spending over the weekend. The Chancellor contrived to present a highly questionable policy in a very poor light: too much of his speech was both hectoring and evasive. He has compounded the error in his subsequent argument with Sir Geoffrey Howe, which suggests that he does not understand the substance of the City's criticisms of Government policy, or at any rate chooses not to do so.

Vague
Some reticence about future spending and the future deficit is understandable. The Chancellor's past estimates on both counts have been so wide of the mark that any figures offered now are likely to be treated with the deepest suspicion; to name a figure may well be enough to lead the market to allow for something much worse. This is a sorry state of affairs, for which the Chancellor made a sort of apology, but by concentrating on errors in forecasting the borrowing requirement, and pointing out that in other countries, too, unplanned deficits are emerging, he evaded the real issue.

What worries the City most of all is the unplanned growth of public expenditure, whether covered by revenue or not. This explosion cannot be explained away by the unexpected depth of the recession, which acts far more on revenue than on expenditure; what the markets want to hear, and have not yet heard, is that steps have been taken to enforce effective control in future.

The available evidence from Whitehall suggests that efforts are being made to impose effective discipline; and while we would be the last to urge the Chancellor to proclaim a premature victory, a mention of the campaign would have earned him a more sympathetic hearing.

Tangled issues in the NHS

THE FACT that normal working at more than 80 hospitals up and down the country was disrupted yesterday by strikes among junior doctors is plain enough evidence of the extent to which morale has deteriorated in the National Health Service. The Royal Commission announced by the Prime Minister—its membership has yet to be announced—will clearly have its work cut out if it is somehow to reconcile the many differences of opinion and self-interest which have helped to bring the NHS to its present state.

A number of quite independent influences have worked together to produce this crisis—the reorganisation of NHS administration and of the nursing profession, for example; the attempt to improve the position of the overworked and underpaid junior doctors at a time when the £8 limit on pay increases ensured that few would gain much and some would actually lose from the change; and the manner in which Mrs. Barbara Castle has gone about the tackling of a difficult job.

Rising costs
There are two basic reasons for the current malaise of the NHS, over and above the specific causes of discontent already mentioned, which will inevitably fall outside the Royal Commission's power to influence, wide though its terms of reference appear to be. The first, quite simply, is the rising cost of running the NHS at a time when the need to cut back the growth of public expenditure has become more generally recognised. There is little doubt that there is scope for considerable economy in the running of the NHS if a conservative profession and a demanding public are willing to accept new methods of running it; especially the hospitals. It is in this field, with any luck, that the Royal Commission will be able to make useful recommendations.

But when all these economies are made and the fact accepted that some doctors will continue to emigrate to North America

A rash of nationalism that threatens EEC harmony

From REGINALD DALE in Brussels, October 20

THE European Community most shocked Community is once again in ex-purists in recent weeks. The extremely bad shape. In outraged reaction of some of the last few days Britain's row the other governments has not with her partners over representation at the consumer-protection "dialogue" has stolen the headlines. But the tough British French Foreign Minister, constant on the issue is only the latest in a series of body-blows to EEC solidarity that have been dealt by one or other of the "big three" member states in the past week. Since the end of the summer holidays there has been an outbreak of a new rash of nationalism in the Community, with vetoes and threats of vetoes flying faster than almost ever before.

First, and least seriously, it was the turn of France, which in mid-September slapped a 12 per cent. tax on wine imports in the still unresolved "wine war" with Italy. Although France has produced arcane arguments to justify the move, there is no doubt in Brussels that it is quite illegal. Further, it is flying in the face of the principles of the Agricultural Common Market to which France is meant to be so attached.

It would be an exaggeration to suggest that the French action poses a serious long-term threat to the Common Agricultural Policy (CAP), let alone to the Community as a whole. Italy has refrained from taking counter-measures and the dispute no longer looks like assuming major proportions. The whole affair eventually could be subsumed in wider plans to reform the CAP by making producers more responsible for surplus production.

Some of their enthusiasm for direct elections and European passports if the U.K. suddenly withdrew its opposition to the idea. The second reason is that one equally well could accuse many of the other governments, and even the Brussels Commission, of no longer having a very clear idea of what sort of Europe they would ultimately like to see—and far less of what the next few steps forward should be. Germany says it will provide money for new

1980 have been about the Commission is a to proceed piecemeal up new institutions. European Economic Research C. gradually re-jigging account. But even the steps are running in slow. Germany does the Eximbank and B strong reservations unit of account.

Little progress is being made on anything in the Ministers. The Nine to hold four separate in Luxembourg last, out taking a single recent decision. And Germans may have toughest in this y Council reading of it all the other governments anxious to save money inevitable cutbacks policies and active treating the Budget a rise in forecasting the of existing policies, it is promoting a star than a dynamic Com



The stance of Mr. James Callaghan (left), Britain's Foreign Secretary, over the producer-consumer "dialogue" is the act that has most shocked Community purists in recent weeks. In condemning the U.K., M. Jean Sauvagnargues (right), the French Foreign Minister, conveniently forgot France's refusal to join the International Energy Agency. Meanwhile Mr. Leo Tindemans, Belgium's Prime Minister (centre), is said to be in a state of "mental confusion" over his planned report on European Union.

Retrograde step

The attitudes of Britain and West Germany over the past few weeks have been potentially much more serious for the Community's future development. Germany's temporary blocking of the EEC Budget last month was a retrograde step in that Bonn looked as if it was trying to claim a national veto in one of the few areas where majority voting had previously been the rule. Faced with complete isolation, Bonn caved in. But the point has been clearly made: there will be no new spending in any area of which Bonn does not approve. If further confirmation was needed, it came with the Chancellor Helmut Schmidt's series of blunt letters to the other EEC heads of government, backed by the accompanying German refusal to consider spending new money on aid to non-associated developing countries at last week's Council meeting in Luxembourg.

The letter to Mr. Harold Wilson was, of course, at least partly spurred by Britain's insistence on a separate seat at the table for the ministerial session of the consumer-producer "dialogue" in mid-December—the act that has

Let's

be argued that the British Government's readiness to use the veto in the future played at least a part last June in reassessing the country that it would be all right to remain a member of the Community. Significantly, Tory MPs refrained from joining in a strong personal attack on Mr. Callaghan over the issue in Strasbourg.

It is also true, however, that many people in the Community hoped that Britain would start playing a more positive role in at least some aspects of Community affairs after the referendum. Apart from the foreign policy co-operation meetings like the one in Italy at the weekend, which Mr. Callaghan clearly enjoys, it is hard to think of an area of internal Community policy where Britain has shown any sign of making a positive contribution. The Government played a big role in working out a Community position on raw materials and has made some useful suggestions for reforming the CAP, but it is hard to avoid the conclusion that there is no such thing as a coherent British policy towards the EEC as a whole. As one diplomat put it: "They don't seem to have the faintest idea what they're doing."

The steam seems to have gone

Genera trend

Meanwhile, important national decisions are being taken in places in which not all are represented. By sifting for a separate "dialogue" is in the further example of trend, France is not only one of the Nine attending next month's monetary summit, but also a member of the "big three" EEC countries, with the U.S. a third non-member, sibly soon a fourth, with it.

Overall, the Nine's doing their best to their critics that the is only a fair-weather munity. Not every- over, is completely by if the results have been undone by the fallu week's Development the Nine achieved a great difficulty in deciding what to put in his report on European Union due by the end of the year.

—so much so that he is not expected to have it ready in final form in time for the next European Council on December 1-2. Portugal—helping I. Having consulted scores of disowning Madrid—people and pressure groups few weeks. Once throughout the Nine, Mr. Tindemans is said to be in a state of "mental confusion."

The Commission is also finding life difficult. After suc- cesses in the Lomé Convention negotiations and in the U.K. renegotiations, it now does seem to know where to go next. The Commission drew up an impressive report on European Union for Mr. Tindemans, but it has no lustrous about prospects for its acceptance. The original plans for Economic and Monetary Union in easy stages by bear a large share of it

MEN AND MATTERS

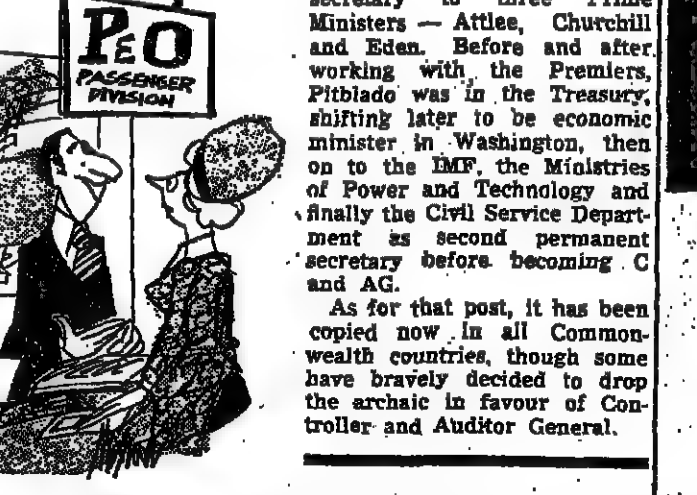
Co-op Bank becomes full clearer

Arthur Sugden, jovial as ever, appeared yesterday for the first time as chairman of a clearing bank. Previously, his main billing had been simply as chief executive of the Co-operative Wholesale Society, but yesterday the Co-operative Bank of which he is also chairman achieved long awaited full clearing status.

Until yesterday the clearing banks—or to give them their official title, members of the London Bankers' Clearing House—numbered just six banks, the big four (Barclays, National Westminster, Midland and Lloyds) plus Williams and Glyn's—anyway a NatWest subsidiary, and Coutts. Now the Co-op becomes the first new member to this exclusive club for 39 years—though the Trustee Savings Bank is expected to come in also in the near future.

Clearing house means exactly what it says: each day 7m. items—cheques and so forth—from the different banks arrive at 10, Lombard Street and are sorted and returned to the bank of origin. However, membership brings prestige to the banks involved far more important than the mechanics of the system. Previously the Co-op Bank had access to the clearing house by using NatWest as their agents, and although the fee for membership is high, the annual cost of membership higher still, and the estimated direct saving from being a full member around £500,000 in the case of the Co-op, long-term spin-off benefits are likely to prove even more advantageous.

Apparently, the Co-op Bank thought of clearing house membership not long after the war,



"On our ships, people have such a good time they don't want to leave!"

Beerless

When the Institute of Directors has its annual gathering next month, there will be the usual distribution of lunch boxes (always such useful props when captains of industry, leading politicians and even Royalty are having their pictures taken).

This year, the rumour has gone round (and it sounds somewhat appropriate in these hard times), that the usual wine supplied with the boxes would be usurped by beer. Five thousand directors on the bitter? The Institute explains that a brewery did indeed offer free supplies, as have many other types of organisations in the past. But tradition has prevailed, the wine will be there, and will be paid for. Far be it from the apostles of self-reliance to accept handouts on their big day out.

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For the education. For those who are eternally bound to the whippersnappers of the left, the education of the child is to make one feel absolutely. Every means to this end is permissible. Anything that is in the way must be destroyed. The devotee of the left is to what they believe are the rights of the past, when men sat in neat rows and directed towards their society according to what they wrote in their copy-

new way

do not know the answer to but it seems very likely it is not what might be a "middle way." Perhaps it should try—just try, to get it along—a new proposal for a system of education vouchers, which is put forward as a radical idea, has the merit that it appeals to both the "New" and the "Old Left." means, in plain language, that it could be of use to everyone who longs for reduction in the size of units of power, such as schools or even county-wide units of education, and to those who want to see the number of self-governing institutions, a genuinely independent

There is a little bit of the anarchist in all of us, or at any rate in those of us who have declined to accept that the burgeoning conglomerate and the ever-growing state are the only viable forms of management in modern industrial society. The Conservative who speaks up for the small business man and the follower of the Russian revolutionary anarchist Pyotr Kropotkin who argues for management of individual plants by the workers within that plant (not the trade union officials who manipulate those workers) are much closer in spirit than either of them may realise. Education vouchers, which could enable teachers to manage schools under the severe discipline of parental choice, could find a place in a new anti-gargantuan movement. We must consider what they might achieve.

The first step is to accept that what any dispersion of power is likely to achieve is diversity. Most supporters of education vouchers in this country are people who believe that if parents are given the same power over what is offered by schools as consumers are given over what is sold in the supermarket then schools will quickly become models of traditional, rather authoritarian, teaching. This is the kind of teaching such people want; hence the vehemence of their support for vouchers.

A visit to Denmark, where the State will finance any school that meets certain minimum standards, would correct this misconception. For the Danish "Little Schools" were initially founded by Left-inclined middle-class parents who wanted a form of teaching that in Britain would be called "progressive" or "permissive" or

(ugly word for an unpleasant notion) "trendy." Some supporters of education vouchers in the U.S. have thought just the opposite: that turning parents into consumers would in the end transform schools into glowing examples of the best in modern "child-centred" education, with fusty old chalk-and-exercise book notions thrown out of the window.

Liberated

To such people, wherever they may be, I recommend a Clergyman's Daughter by George Orwell. It was first published by Gollancz in 1935. By page 200 of the 1975 Penguin edition Dorothy, for a while a teacher in a small private school, has liberated her children from the then preferred methods of dull repetition and copy-work. She is extremely happy, and the children have followed her mood. "Trying to awaken the dulled minds of these children, trying to undo the swindle that had been worked upon them in the name of education—that, surely, was something to which she could give herself, heart and soul!"

But, by page 202, "the parents were growing perturbed by the tales their children brought home about Dorothy's methods. They saw 'no sense' whatever in these new-fangled ideas of making plasticine maps and reading poetry, and the old mechanical routine which had so horrified Dorothy struck them as eminently sensible. They became more and more restive, and their letters were peppered with the word 'practical'—meaning in effect more handwriting lessons and more arithmetic. Of course, Dorothy's job did not last."



Parents who voted with their children's feet: mothers collect their children from the William Tyndale School in London last week.

Parents of broadly this kind, I suspect, are still in the majority—although the mythology on which their modern counterparts base their proclamations must have moved ahead a little since Orwell wrote. Such parents had no option in the notorious case of the William Tyndale School in London but to vote with their children's feet: the school is being run down because most parents refuse to send their children there. William Tyndale is a case in which even some progressive-minded parents seem to have been disillusioned but that is beside the point.

For the essence of the matter is that we do not really know how many more William Tyndale's there are in this country. How many schools are packed with children who attend because there is nowhere else

to send them? Parents with the special interests of the Right: the recent pamphlet, *Experiment With Choice in Education*, by Alan Maynard, Lecturer in Economics at the University of York, is published by the ideological markets-everything-institute of Economic Affairs, while "FEVER"—Friends of the Education Voucher Experiment in Representative Regions—appears to be a close relation. Similar suspicion would attach to say, a new scheme for "industrial democracy" over the signature of, say, Mr. Anthony Wedgwood Benn, and for similar reasons.

But the incubus of this kind of prejudice, which affects us all in different ways, must be exercised in Britain's present illness—which is essentially an intellectual malaise—is ever to be cured. An experiment with vouchers should be supported. This is a pity. The Left-Right

The only practical attempt so far is to be found at the Alum Rock Elementary School in the District of San Jose, California, where local parents receive a voucher worth the average cost of education in the district. Schools must accept all children, drawing lots when applications exceed the number of places. The vouchers are cashed by the schools, with the money coming from public funds; if they take more of the worse-off children they get more money since "disadvantaged" pupils receive vouchers of extra value. The programme is still under way.

According to a description given by an American civil servant, Mr. David R. Mandel, at a "FEVER" meeting last Friday, parents have learned to transfer between schools as well as within schools where "mini-schools" catering to various tastes have been set up.

A great deal of pressure has been put on the Kent Education Authority to initiate an experiment of this kind in the Ashford area. The Conservative majority on the council has moved with extreme care: after nine months of talk it has accepted a sub-committee's recommendation that consideration be given to the cost of preparing a feasibility study. There is some question about whether it would be possible to introduce a voucher scheme without a change in the law, but Mr. Leon Brittan, a barrister and Conservative MP for Cleveland and Whitby, seems to think that it could be done. The acquisition of the Department of Education would no doubt be necessary, and so far the Government's attitude has been not much to ask for. If we cannot have even that, what chance is there?

posturings that so stifle useful debate about so many things will grow much worse in the next few years, as public expenditure is squeezed and every interest-group struggles for its own share of what is available. The welfare state has not proved itself able to deliver both welfare and freedom of choice even in times of moderate economic growth; in these shrinking years the task will surely be more or less impossible.

Essential

This is why a radical approach is essential. Those who suspect anything of the kind for fear that it may not be relentlessly egalitarian enough will never participate in such a debate in any useful way: nor will their incorrigibly elitist counterparts. Others must ask questions, everywhere. The new commission on the Health Service must dare to examine an insurance-based health scheme, of the continental type (not to mention charges for those who can afford them). New forms of housing tenure, and the possible liquidation of council estates, must be carefully studied. Genuine worker participation (not the replacement of managers by union bosses) must be tried out.

The best way out of the current mood of despair is surely a willingness to experiment in such matters. In education, where so much energy is spent on such futile arguments as the administrative structure of bad schools, one tiny experiment in one small district of the country is not much to ask for. If we cannot have even that, what chance is there?

Letters to the Editor

Extraordinary adox

Mr Roy Harrod.
The first paragraph of your (October 17) article contains a extraordinary paradox. We take measures to re-employment, because we would "increase the of payments deficit and the of the nation's income."

Immunity

Mr Secretary.
The Secretary of the Association for Homes, (October 14) might add to his list of "immunities" the Community Land Bill, which is a new development. "At this stage, it is the land-owners who are the beneficiaries of the Bill, not the owner-occupied."

Housing

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We feel that it is equally important to consider "adverse" effects (indicated by either the total variability of returns or the so-called "beta-factor") which measures the relationship between trust performance and the all-beta index. This consideration is important because it is in general expected a higher return in the income associated with higher risk—namely the return on higher short-term variability.

On the other hand, those who aim to achieve short-term stability of returns (low risk) are on the whole better served by income trusts with associated lower expected returns.

From our analysis of 49 unit trusts over a nine year period (1964-1973) we found the following:

Average return

Average variance of returns

Where the returns are based on annual observations continuously compounded (capital gain and income).

This evidence suggests that any unit trust investor should expect over a long period, an average return consistent only with the risk he is prepared to tolerate.

Charles Ward, Lecturer in Economics, City of London Polytechnic, 84, Moorgate, E.C.2.

Accounting for inflation

From Mr. S. Farmer.
Mr. Middleton (October 8) found statements of standard accounts. The London Bureau is now dealing with 35,000 applications for transfers to alternative GLC property, and 5,000 of these are seeking mutual exchanges. During the course of a year it deals with about 1,000 with applicants, which represents 21 per cent of all GLC tenants.

My point is that if this figure of 21 per cent was reflected in the national situation, 150,000 transfers and exchanges could take place annually, from the GLC council dwellings, and this increased mobility would have a dramatic effect on the easing of regional unemployment. Too often council tenants feel trapped in their present accommodation, and this makes the business of seeking alternative employment very difficult. At any one time between 4 per cent and 20 per cent of council tenants are on the transfer list, and the average wait for a transfer is about four years, which is quite unacceptable.

A national property exchange agency, based on the successful experience of the GLC Bureau, would encourage mobility, facilitate better use of the public sector rented stock, and would be a positive step towards easing the country's unemployment problem. A national agency, based on a self-supporting register, would cost comparatively little to establish, and would be run on a fee-charging basis.

Basil Feldman, The County Hall, S.E.1.

Register for house swaps

From Mr. Basil Feldman.
Sir, it is regrettable that the Labour chairman of the GLC

entirely ignores the benefits accruing to the customer of such firms in the price levels remaining below the general level of inflation.

In the case of the nationalised industries which in the past have been required to keep prices steady while other costs rose, GLC profits on loans held are increasingly misleading. Such "profits" could certainly not be used to reduce prices.

S. W. Farmer, 21 Woodedge Close, Chingford, E.4.

North Sea oil

From Mr. W. C. Whalley.
Sir, Mr. F. Waddams' statement (October 14), that fear of retaliation is groundless, is not supported by recent history. Frontiers have been modified or confirmed in relation to oil interests by the use or threat of force. Oil was an important factor in the struggle for Biafra, as it is in that for North Cyprus.

If we push too hard in the North Sea we could well end up losing the lot. What could the Scottish Nationalists not achieve with international backing and money? The role of the Convention is established in both Scottish and American history as a valid instrument of revolution. The Scots are in a position to do an advantageous deal in relation to oil. They consume 100,000 tons per year. This leaves a clear 50m. tons for export annually over 50 years. The growing exasperation of the Americans and their worsening prospects for fuelling the 100m. vehicles on which their economy depends creates a potentially explosive situation. The gyrations of the administration over military intervention in Arabia are warning signals which we would do well to recognise. Their prospects of establishing a respectable puppet government in Arabia were negligible in the face of widespread hostility. In Scotland the reverse is the case.

It is to be hoped that Mr. Waddams informs his students that "Great Powers" have no permanent friends, only interests. This aphorism is illustrated by murmurs from Washington that the U.S. has never recognised Canada's claim to the Arctic Islands where drilling is now in progress.

W. C. R. Whalley, 105, High Street, Hungerford, Berks.

Council estate agencies

From The Chairman, The Housing Development Committee, Greater London Council.
Sir, Mr. Basil Feldman (October 8) advocates the establishment of a national property exchange agency, based on the successful experience of the GLC Bureau, would encourage mobility, facilitate better use of the public sector rented stock, and would be a positive step towards easing the country's unemployment problem. A national agency, based on a self-supporting register, would cost comparatively little to establish, and would be run on a fee-charging basis.

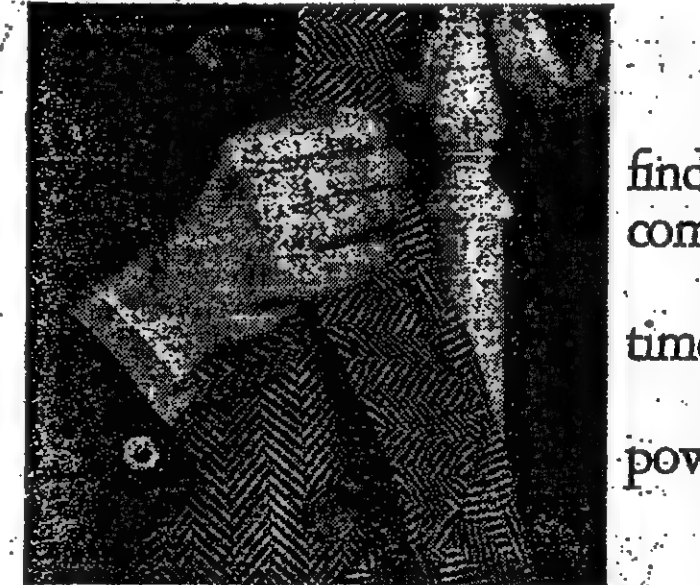
To-day's Events

GENERAL
Official inauguration of Ekeofikil Row by Mr. Anthony Wedgwood Benn, Energy Secretary, Teesside.
Unemployment figures for October.
Prime Minister meeting representatives of workers' cooperative of Scottish Daily News.
British Air Line Pilots' Association representatives meet Civil Aviation Authority on licence fees.
Crown Price Fund, Deputy Premier of Saudi Arabia, continues official visit to Britain.
Mr. Antonio de Silveira, Brazilian Foreign Minister, continues talks in Britain.

Pay claim by Rolls-Royce Scottish shipyard, Dundee.
Mrs. Barbara Castle, Secretary for Social Services, addresses Food Safety and Safety conference, Albemarle Street, London.
Education cuts protest lobby and rally, Central Hall, Westminster.
PARLIAMENTARY BUSINESS
House of Commons: Scottish Development Agency (No. 2) Bill, remaining stages. Cinematograph Films Bill, Recession Elections Bill, second readings.
House of Lords: Airports Authority Bill, second reading.

Community Land Bill, committee.
Motion on White Fish and Herring Subsidies (U.K.) (No. 2) Scheme 1975. Lord Merivale will initiate a debate on the appointment of the resident U.K. based consul in Tananarive, in view of the recent decision to close the British Embassy in the Malagasy Republic.
COMPANY RESULTS
Marks and Spencer (half-year). Associated Biscuit Manufacturers (half-year). Hawker Siddeley Group (half-year).
Dawnay Day Group (full-year).

COMPANY MEETINGS
Heron Corporation, Connaught Rooms, W.C. 2.
Hewwood Williams, Park Lane Hotel, W.C. 2.
CONFERENCE
Financial Times two-day conference. Asian Business in 1975 opens in Hong Kong.
EXHIBITIONS
International Motor Show, Earls Court.
International Audio Festival and Fair, Olympia.
Kensington Antiques Fair, Kensington Town Hall.
THEATRE
Dame Wendy Hiller in leading role of Trevor Baxter's play—Lies—opening at Albery Theatre, London.



KNOCK OFF 5.30

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But if you ask some of the companies there they may also admit it was the place itself. With golf courses a few minutes away and five miles of beautiful sandy beaches, you'll find something for everybody at Irvine. Sailing, golf, racing, fishing.

TEE OFF 5.45

Not forgetting that Scotland's ski runs are within easy reach. But make it easy for yourself. Just contact Michael Thomson, the Commercial Director, Irvine Development Corporation, Perceton House, Irvine, Ayrshire, KA11 2AL. Telephone Irvine 74100. Telex: 778984 Irvine NewTown

At Irvine New Town you'll find some of Britain's biggest companies. And the list is growing all the time. So there must be some very powerful attractions at Irvine. Maybe it's accessibility. With two major airports close by, at Glasgow and Prestwick.

With no great traffic jams to fight through to get there. Or maybe it's the financial and administrative assistance you get when you move to Irvine. Like Regional Development Grants of 22% towards the capital expenditure on new building. Or 100% first year tax allowance on investment in machinery and plant. Special training schemes and Grants for manufacturing and service industries.

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Rugby Portland up 8% after six months

PRE-TAX PROFITS for the first half of 1975 at Rugby Portland Cement rose by 8 per cent. from last year's record £4.97m. to £5.36m. and the chairman, Sir Halford Reddish, says third quarter profits are "substantially higher" than for the same quarter of 1974. Profits for all 1974 were £10.53m.

The Ordinary interim dividend is lifted from 1.275p to the maximum permitted 1.36p net costing £57,440 (£59,600) and the participating non-voting share interim from 0.815p to the maximum 0.87p net costing £281,880 (£264,060). Last year's final was 1.36p and 1.445p respectively.

HIGHLIGHTS

Rugby Portland Cement profits are once more moving ahead despite a setback in Australia, and the first-half surplus before depreciation is up by a tenth. The Lex column comments on this and also on the full report from Great Universal Stores where the balance sheet discloses a strong cash position. Halftime news from Lankro Chemicals, with profits slipping back, took the shares lower last night but Tricentrol closed 2p better despite a near-halving of profits at the midway mark. Lower profits are also reported by Selincourt at halftime and the picture at Reed Executive is much the same as that from other employment agencies reporting last week. Full-year results from British Industrial Holdings are complicated by the sale of Grundig last year. In Bids, CMT has allowed its offer for LCP to lapse.

expected to be successfully concluded by the end of the year, the directors state.

Meanwhile, a £10m. temporary facility has been provided by the Government.

Turning to the commercial division, the directors say apart from the builders' merchants group, still suffering from the downturn in the building trade, the rest of the U.K. commercial groups performed satisfactorily. In Canada and in the Netherlands the builders' merchants group were similarly affected by low activity.

comment

Tricentrol's profits are practically halved, and the pre-tax total slips to under £200,000 if the MCM acquisition—which came in for the 1974 second-half—is excluded. The group clearly has problems, since North Sea financing costs are mounting at a time when existing areas of profit are a trough, and no one will be very surprised if the final dividend follows the interim into limbo. Where Tricentrol has strengths they are largely confined to the 10 per cent stake in Thistle, which could be worth over 100p a share to the group against a price of 42p, up 2p yesterday, and last published net worth of 49p. But profit returns here are still three to four years away. Meanwhile, there could be some relief from next month's round of higher gas prices in the U.S.

Tricentrol omits interim

OPERATING SURPLUS, before tax, of Tricentrol improved slightly from £277,100 to £282,000 in the first half of 1975 on a turnover up from £22.65m. to £27.45m.

After writing off terminal losses on discontinued activities connected with the engineering and travel groups, the central administration costs and the net interest on loan capital not allocated to operating divisions, which amounted to £575,000 (£556,000) and allowing for tax, the net surplus amounted to £258,000 against £221,000. The commercial division contributed £478,000 to the operating surplus (£474,000) in 1974.

In line with established policy, no interim dividend will be paid. If, however, the commercial division results for the year show a surplus after covering the £575,000 items careful consideration will be given to recommending a final. For the previous year an interim of 1.072p net, but no final, was paid prior to a 50 per cent. scrip issue.

BIH drops to £0.57m.

AFTER DROPPING from £10.8m. to £0.34m. in the first half, pre-tax profits of British Industrial Holdings finished the year to June 30, 1975 down from £94,000 to £574,000. Figures for 1974-75 include the Grundig subsidiary sold on July 1, 1974.

Full year earnings are shown to have fallen from 3.55p to 2.35p a share. The dividend total is held at 1.4p net with an unchanged final of 0.7p.

comment

Even allowing for the sale of the Grundig interests, which accounted for about £10m. in terms of 1974-75 sales, it is clear that British Industrial Holdings experienced some drop in volume. The pre-tax level has again been clipped by write-offs in the land bank, while the property side itself incurred trading losses of £1,607,000. Steel stockholding performed reasonably well overall but the trading pattern was very depressed in the second half, with the position deteriorating even in the current year. So, it is despite some growth in manufacturing, there seems little chance of BIH checking the declining earnings trend in 1975-76, and the shares at 20p, yielding 11.5 per cent., face a bumpy ride.

Setback for Newman-Tonks

AFTER RISING from £0.62m. to £0.77m. in the first six months, pre-tax profits of Newman-Tonks slipped to £1,618,556 from £1,807,818 for the full year to July 31, 1975 on turnover of £15.2m. against £15.07m.

Reinforcing extraordinary credits of £22,813 (debits £140,000), earnings divided into 1974-75 of 8.45p to 6.38p per 25p share.

The final dividend is 2.2554p net, lifting the total from 2.7703p to 2.9957p.

comment

A 43 per cent. fall in second half pre-tax profits (after a 24 per cent. rise at the interim) has left Newman-Tonks with full-year profits 22 per cent. lower. In the first six months the group was working on a backlog of orders accumulated in the previous year, but new business was already in decline and this continued throughout the second half. In the current year the group has started a fairly stringent tightening-up operation which will involve the closure of one factory and the incorporation of its assets into a new western division which should be completed in about two weeks' time. The group expects the benefits from this to provide some improvement in 1976-77 profit margins. Demand generally is still low but there are signs now that a small revival may be beginning and with the first real contributions expected from the four acquisitions made during 1974-75, the chances of a full recovery in the current year look quite good. At 36p the shares yield 13.5 per cent., roughly three points above the building materials average.



DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corpa. of spending	Total for year	Total for year
Brit. Ind. Holdings	0.7	Jan. 3	0.7	1.4	1.4
F. Copson	0.61	—	0.55	0.61	0.55
Credit Finance	15.00	—	—	15.00	—
Ellie and McHardy	2.22	Dec. 6	2.08	2.22	2.08
Lankro	2.41	Feb. 18	1.3	2.41	2.33
Middleton Hotels	2.11	—	1.84	2.11	2.42
Newman-Tonks	2.28	Dec. 12	2.07	2.28	2.77
Reed Executive	2.02	Dec. 17	3.12	—	4.12
Rugby Portland Cement	1.36	Jan. 2	1.23	—	2.59
Rugby Portland N/V	0.87	Jan. 2	0.82	—	2.26
Selincourt	0.53	Dec. 12	0.35	—	0.73
Tricentrol	0.71	—	0.71	—	0.71

Dividends shown per share net except where otherwise stated. (a) Equivalent after allowing for scrip issues. (b) On capital increased by rights and/or acquisition issues. (c) Total of 4.5p forecast. (d) Per cent. gross.

ISSUE NEWS AND COMMENT

City of Bristol 13 1/2% 1981 stock

ARRANGEMENTS HAVE been completed for the issue by the City of Bristol of 13 1/2 per cent. Redeemable stock, 1981, at 98 1/2 per cent. The stock is payable for the interim dividend of 0.9p net per share to be declared in respect of the 26-week period ended September 27, 1975. The intended final dividend on the enlarged capital is 1.06881p per share. The rights will be offered to the holders registered on November 14.

Application lists close on Thursday, October 23. Brokers are Fensholt and Boyla.

comment

With shortfalls in gilts ranging up to 11 points yesterday following the shakeout on Friday, Bristol must be regretting the timing of this £10m. issue. Corporation stocks, however, have been relatively firm and the Bristol yield is spot on that of Liverpool. Indeed, the yield differential between gilts and corporation stocks has now narrowed to about 21 per cent. against a recent figure of over 23 per cent. But sentiment has clearly taken a knock as a result of the weakness in gilts and, pending any recovery, demand for this issue must surely feel the effects.

Prospectus, Page 13

Three rights at par

THREE companies last night announced rights issues at par. Just a few hours after the Treasury had stated that new rules were being introduced as from midnight regarding dividend increases following a rights issue at a heavy discount.

Kwik Save Discount Group is offering 15,510,000 Ordinary 10p shares on a one-for-one basis at par.

The dividend on the enlarged capital for 1975-76 will be not less than the 3.585p net per share that was recommended for the year ended August 30, 1975. S. and W. Berisford intends to raise about £3.35m. by the issue of 13,404,074 Ordinary 25p shares at par.

Interim dividend for the current year of 2.5p net per share has already been paid and the Board expects to recommend a final dividend for 1974-75 of 3.412p per share, the maximum possible. It is the intention that the same rate of dividend (3.085p gross) in respect of the year ending September 30, 1976 be maintained.

If you are in doubt about this advertisement you should consult your stockbroker, bank or other professional adviser immediately.

AMBAC International Corporation

A corporation organised under the laws of the State of Delaware, United States of America

U.S. \$10,000,000 5 1/8% 15 year Convertible Loan of 1 (10,000 Bonds of \$1,000 each)

Convertible into shares of Common Stock of

AMBAC INDUSTRIES INCORPORATED

Hambros Bank Limited ("Hambros"), on behalf of Ambac International Corporation, is prepared to accept offers to sell up to 1,000 Bonds of the above issue at a price of \$750 per Bond plus accrued interest to the date of settlement. Hambros on behalf of Ambac International Corporation is prepared, subject as mentioned in the final paragraph below, to accept offers to sell Bonds from all holders of Bonds of this issue until 11th November 1975, but the right is reserved to extend this period and to increase the number of Bonds which it is prepared to purchase as aforesaid.

All holders of Bonds of this issue, other than residents or nationals of the United States of America, may offer to sell their Bonds as aforesaid but, if after 11th November 1975, or such later date as may be specified by Ambac International Corporation, offers to sell Bonds have been received in excess of the limit provided for above, offers will only be accepted in respect of an aggregate number of Bonds equal to such limit. Such limitation of acceptances will be achieved by scaling down the number of Bonds comprised in each offer by a Bondholder on a pro rata basis (to the nearest

Mr. J. C. Wilkinson, chairman and Mr. J. N. Wil, managing director, of Telefun, which is expected to recover in the current level of business.

Stanwood half-year deficit

IN THE first-half of 1975 Stanwood Radio incurred a loss before tax of £105,069 compared with £178,744 for the corresponding last year period and £220,498 for the last full year.

The directors say that in the present economic climate, forecasting of even the immediate future is difficult. Margins continue to be "seriously reduced" due to constantly increasing costs and severe competition.

Every effort is being made to increase profitability, but it is essential to maintain a high standard of service even when trade is depressed, "hence it is not easy to reduce operating costs" they point out.

Again there is no interim dividend—the last dividend payment was 90.3868p final in 1973. At December 31, 1974, the company had £478,000 of deferred tax reserves.

Cash and hire purchase sales increased substantially in the first six months due to the exceptional business in April following the announcement that VAT was

INTERIM STATEMENT

SELINCOUR ISSUES

Garment and Textile Manufacturers

Interim Statement

The Directors announce the following unaudited profit figure. Company and its subsidiaries for the six months ended 1975.

	6 months to 31.7.75 (£'000)	6 months to 31.7.74 (£'000)
Turnover*	16,128	16,320
Group Profit before Taxation	603	718
Taxation	343	480
Group Profit after Taxation	260	238
Minority Interests in Subsidiaries	(4)	40
Extraordinary Losses	256	278
Attributable to Members	256	278
Preference and Ordinary Divs.	146	148
Balance Retained	108	130

Trading conditions are still difficult. Inflationary pressures weakening of sterling were mainly responsible for lower half-year sales.

Tricentrol in France and MacDougall in Scotland have returned trading figures but are not yet at the level required to contribute to Group profit by the year end.

An interim dividend of 0.35p per share requiring a total £144,512 will be paid on 12th December 1975 to Ordinary holders registered at 14th November 1975. This rate is as that paid as an interim dividend last year.

Copies of current public financial information relating to Ambac Industries Incorporated, in filings made by it with the Securities and Exchange Commission, may be inspected at the office of Hambros specified above or at the offices of K. Bank S.A. Luxembourg, 37, rue Notre Dame.

Offers to sell Bonds will be accepted on or behalf of persons who are not residents of the United States of America.

October

	First half 1975	1974
Group turnover	35,430,889	33,635,880
Trading surplus	1,644,921	1,507,128
Depreciation	1,682,620	1,629,884
Profit before tax	3,327,501	4,497,248
U.K. tax	1,775,000	1,421,000
Overseas	34,000	363,000
Net profit	3,342,501	3,373,248
Minorities	20,000	111,400
Leasing	3,252,501	3,261,848

The tax total charge includes equalisation reserves of £263,000 (£261,000).

Sir Halford reports that a substantial improvement in the U.K. in the first half has been offset to some extent by a further setback in profits of Cockburn Cement in Australia. No significant upsurge is likely there until the economic situation improves and inflation is brought under control, he adds.

See Lex

Lankro's £0.96m. in first half

AS FORESHADOWED, first half (to August 31, 1975) taxable profits of the Lankro Chemicals Group, at £960,000, show a reduction from the outstanding £1.45m. level earned in exceptional market conditions in the same previous year period.

But chairman Mr. Tony Russell points out that they are considerably ahead of the £551,000 achieved in the first half of 1974 when demand for industrial chemicals was much greater than now.

He adds that, although there is no indication of any upturn in the general level of industrial activity, the strong demand for agricultural chemicals continues and, despite increases in costs, the directors believe that results for the full year will compare favourably with all years prior to 1974-75. Profits for that year were £2.33m. compared with £1.41m. in 1973-74.

The cash position remains strong, and the programme of investment already announced is in course of implementation, Mr. Russell reports.

First half net earnings per 25p share are shown at 7.4p, against 14.1p, based on 6.58m. shares following the July last placing, compared with 4.94m. shares. The equivalent earnings figure would be 9.3p. Earnings for all 1974-75 were 22.3p.

As indicated at the time of the placing the net interim dividend is 2.4p (1.3p) and a similar final is expected to lift the total from 3.82p to 4.1p—the Treasury has agreed "to this level in the context of the placing."

comment

A drop of 35 per cent. (or a near halving, if last year's pension provision is taken into account) in Lankro's pre-tax profits is in line with outside expectations but was enough to knock 3p off the

Selincourt slips at midway

CAUSED MAINLY by inflation and the weakening of sterling, the working of Selincourt textile manufacturers, Selincourt slipped from £718,000 to £503,000 in the half year to July 31, 1975, and the directors warn that trading conditions are still difficult.

Tricentrol in France and MacDougall in Scotland have returned better trading figures, but are not yet at the level required to ensure a contribution to group profits by the year end, members are told.

The interim dividend is held at 0.35p net. Last year's total was 0.73p, paid from pre-tax profits of £1.72m.

comment

After a 20 per cent. drop last year (excluding loan stock redemption profits) a 16 per cent. decline in Selincourt's interim pre-tax profits is nothing to cheer about, particularly as it seems that last year's loss-makers—Tricentrol in France and MacDougall—are now only going to reduce their losses to £200,000 (£200,000) rather than eliminate them. Interest charges have continued to rise, despite the redemption of £8m. of loan stock, and thanks to the group's end-year debt/equity ratio of 240 per cent., these now absorb over one half of trading profits. Elsewhere, Taylor & Francis's M&S links and Frank Usher's own-brand products have supported the garment operations, but textiles are weaker

Many of the problems facing management of British firms in the U.K. (high taxation, labour troubles, shortage of capital for development) can be wholly or partially overcome by manufacturing in Ireland... Think of Ireland. It might be a happy answer to your problems

Maintenance Engineering March 1975

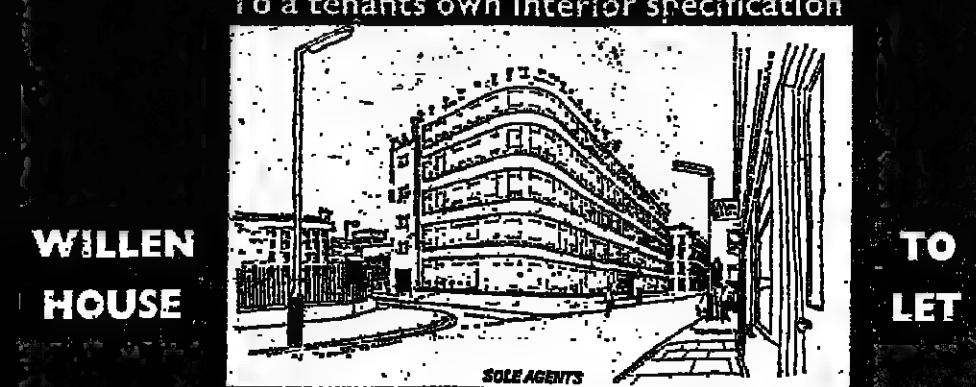
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Improving trend at Telefusion

INTERNATIONAL IN ASIA

Stauffer beats trend

AMSTERDAM. "Öcl." 20.

By Ray Dutton

EARLY SIGNS that the world-wide economy is recovering are seen by Stauffer Chemical, reporting its 15th consecutive record for quarterly earnings.

The U. S. chemical company reported yesterday that net earnings for the third quarter of this year increased 11 per cent to \$15.65m, as against the \$14.03m. reported for the same quarter last year. Sales for the three months rose 2 per cent to \$307m, from the record \$303.4m. reported a year ago.

Net earnings for the first nine months of this year rose 31 per cent to \$75.8m, or \$10.70 per share on a fully diluted basis. This performance compares with \$68m, or \$8.44 per share, for the same period last year. Nine months sales were \$710.7m., an increase of 12 per cent over last year.

The figures are in contrast to the depressed results reported by some companies in the chemical industry in recent months, particularly those on the Continent. In fact they reflect the spread of Stauffer's activities, which include agricultural chemicals, industrial chemicals, food ingredients, specialty chemicals and plastics.

Mr. H. Barclay Morley, president and chief executive, commented that the company experienced a modest increase in demand across the board during the past quarter. "We believe this indicates the economy has bottomed out and is showing recovery signs."

He expected that the improvement would continue for the remainder of the year. "We anticipate a solid year-end increase over total 1974 earnings," he said.

PRINTEMPS LOSS

PRINTEMPS

PRINTEMPS LOSS

By Rupert Cornwell

PARIS, Oct. 30.

AU PRINTEMPS, the holding company for the Printemps and Printemps - store chain, today announced a first half loss of Frs35.5m. (\$5m.). The bulk of which reflects provisions made for losses by certain of the group's subsidiaries.

The actual comparable loss was Frs5.6m. compared with a profit of Frs4.7m. in the first six months of 1974. However Printemps also set aside Frs2.2m. to make good deficits of "certain subsidiaries and interests."

The Board is adopting a fairly sanguine approach for the rest of the year. It notes that the second half is usually better for its business, than the first, and that the loss in no way indicates the likely course of the whole year.

In fact, the growing signs of turnaround in the French economy, should also help consumer spending, which indeed appears to have been relatively buoyant through the summer.

Sharp fall for Kockums

BY JOHN WALKER

Kockums

STOCKHOLM, Oct. 20.

compared with Kr.1.1bn. in the same period last year.

Negotiations for an order for two ships have been cancelled, amount to ten ships each of Kockums says. Orders in hand 355,000 tons and the last ship in the orderbook is due for delivery in the first quarter of 1978.

The industrial order intake was not pressed in the period under review and is 43 per cent. down, when compared with the same period last year, and amounts to Kr.285m.

appears to be little hope of an early improvement as the country's large chemical concerns—

hard-hit by declining demand for plastics—have been cutting back.

Added to this, things are extremely tight in the weapons market. Krauss-Maffei said that the basic German order for Leopard tanks for the Bundeswehr has now been fulfilled, but that there are orders for 120 tanks for Denmark (which has a 1975 deadline) and 30 for Australia, which will continue deliveries until 1978.

However, the group do not expect a real pick-up in the tank business until 1977. It is then that urban warfare tanks, which are covered by a sale of property which allowed the Bundeswehr to buy 100 Leopard anti-aircraft tank, will really be under way. So far the Gepard order books stand at 570 vehicles and at a cost of about DM4.5m apiece they will be worth well over DM2.5bn. Peak production

There is rather more uncertainty

...about the eventual size of the production run of the

the production run of the Leopard II, said to be the most powerful tank by a factor of two in the Western Alliance. Trials are still continuing in the U.S. and it will not be until autumn next year that the concern will be able to estimate potential order volume.

As a result of the temporary decline in demand for the group's products some 1,900 workers are still being hit by short-time working.

SELECTED EUROL

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

	Bid	Offer		Bid	Offer
STRAIGHTS					
Ashland Sps 1988	97	98	CONVERTIBLES		
Ashland Sps 1987	98 1/2	91 1/2	American Express 4 1/2c '87	79	78
Ashland Sps 1986	97 1/2	91 1/2	Ashland Sps 1988	71	71
Ashland Sps 1985	97 1/2	91 1/2	Beatrice Foods 4 1/2c-1992	87	89

Carroll Bpc 1987	572	859	C
Carroll Bpc 1988	518	859	C
Carroll Bpc 1989	508	859	C
Carroll Bpc 1990	508	859	C
Carroll Bpc 1991	513	859	C
Carroll Bpc 1992	513	859	C
Carroll Bpc 1993	513	859	C
Carroll Bpc 1994	513	859	C
Carroll Bpc 1995	513	859	C
Carroll Bpc 1996	513	859	C
Carroll Bpc 1997	513	859	C
Carroll Bpc 1998	513	859	C
Carroll Bpc 1999	513	859	C
Carroll Bpc 2000	513	859	C
Carroll Bpc 2001	513	859	C
Carroll Bpc 2002	513	859	C
Carroll Bpc 2003	513	859	C
Carroll Bpc 2004	513	859	C
Carroll Bpc 2005	513	859	C
Carroll Bpc 2006	513	859	C
Carroll Bpc 2007	513	859	C
Carroll Bpc 2008	513	859	C
Carroll Bpc 2009	513	859	C
Carroll Bpc 2010	513	859	C
Carroll Bpc 2011	513	859	C
Carroll Bpc 2012	513	859	C
Carroll Bpc 2013	513	859	C
Carroll Bpc 2014	513	859	C
Carroll Bpc 2015	513	859	C
Carroll Bpc 2016	513	859	C
Carroll Bpc 2017	513	859	C
Carroll Bpc 2018	513	859	C
Carroll Bpc 2019	513	859	C
Carroll Bpc 2020	513	859	C
Carroll Bpc 2021	513	859	C
Carroll Bpc 2022	513	859	C
Carroll Bpc 2023	513	859	C
Carroll Bpc 2024	513	859	C
Carroll Bpc 2025	513	859	C
Carroll Bpc 2026	513	859	C
Carroll Bpc 2027	513	859	C
Carroll Bpc 2028	513	859	C
Carroll Bpc 2029	513	859	C
Carroll Bpc 2030	513	859	C
Carroll Bpc 2031	513	859	C
Carroll Bpc 2032	513	859	C
Carroll Bpc 2033	513	859	C
Carroll Bpc 2034	513	859	C
Carroll Bpc 2035	513	859	C
Carroll Bpc 2036	513	859	C
Carroll Bpc 2037	513	859	C
Carroll Bpc 2038	513	859	C
Carroll Bpc 2039	513	859	C
Carroll Bpc 2040	513	859	C
Carroll Bpc 2041	513	859	C
Carroll Bpc 2042	513	859	C
Carroll Bpc 2043	513	859	C
Carroll Bpc 2044	513	859	C
Carroll Bpc 2045	513	859	C
Carroll Bpc 2046	513	859	C
Carroll Bpc 2047	513	859	C
Carroll Bpc 2048	513	859	C
Carroll Bpc 2049	513	859	C
Carroll Bpc 2050	513	859	C
Carroll Bpc 2051	513	859	C
Carroll Bpc 2052	513	859	C
Carroll Bpc 2053	513	859	C
Carroll Bpc 2054	513	859	C
Carroll Bpc 2055	513	859	C
Carroll Bpc 2056	513	859	C
Carroll Bpc 2057	513	859	C
Carroll Bpc 2058	513	859	C
Carroll Bpc 2059	513	859	C
Carroll Bpc 2060	513	859	C
Carroll Bpc 2061	513	859	C
Carroll Bpc 2062	513	859	C
Carroll Bpc 2063	513	859	C
Carroll Bpc 2064	513	859	C
Carroll Bpc 2065	513	859	C
Carroll Bpc 2066	513	859	C
Carroll Bpc 2067	513	859	C
Carroll Bpc 2068	513	859	C
Carroll Bpc 2069	513	859	C
Carroll Bpc 2070	513	859	C
Carroll Bpc 2071	513	859	C
Carroll Bpc 2072	513	859	C
Carroll Bpc 2073	513	859	C
Carroll Bpc 2074	513	859	C
Carroll Bpc 2075	513	859	C</

STRAIGHTS	Bid	Offer	CONVERTIBLES	Bid	Offer
Amtrak Sps 1986	97	98	American Express 4pc '87	79	81
Amtrak Sps 1987	99 1/2	101	Amtrak Sps 1986	77	78
Amtrak Sps 1988	99 1/2	100	Amtrak Sps 1987	77	78
Amtrak Sps 1989	97 1/2	98	Beairste Foods 4pc 1982	96	
Amtrak Sps 1990	91 1/2	92 1/2	Beairste Foods 4pc 1983	96	
Carrier Sps 1986	93	94	Bradyway Hale 4pc 1987	90	91
Carrier Sps 1987	93	94	Cable Camera 7pc 1988	89	
Carrier Sps 1988	93	94	Cable Camera 7pc 1989	89	
Carrier Sps 1989	93	94	Chrysler 4pc 1987	84	
Carrier Sps 1990	91	92	Chevron Sps 1988	108	109
East Hammar Sps 1987	100 1/2	101 1/2	Dart 4pc 1987	77 1/2	
East Hammar Sps 1988	99 1/2	100 1/2	East Hammar Sps 1987	77 1/2	
East Hammar Sps 1989	99 1/2	100 1/2	East Hammar Sps 1988	77 1/2	
General Cable Sps 1986	94 1/2	95 1/2	Economic Labs 4pc 1987	74	76
General Cable Sps 1987	94 1/2	95 1/2	Elite 7pc 1989	73	74
General Cable Sps 1988	94 1/2	95 1/2	Elite 7pc 1990	73	74
General Cable Sps 1989	94 1/2	95 1/2	Firestone Sps 1983	87	89
General Cable Sps 1990	94 1/2	95 1/2	Ford Sps 1986	73	74
ICI 7-1986 1987	70 1/2	71 1/2	General Electric 4pc 1987	83	84
ICI 7-1986 1988	70 1/2	71 1/2	General Electric 4pc 1988	83	84
ICI 7-1986 1989	70 1/2	71 1/2	Gold Sps 1987	85	87
ICI 7-1986 1990	70 1/2	71 1/2	Gold & Western Sps 1988	85	87
Prov. of Quebec 7pc 1987	54 1/2	55 1/2	Hammar Sps 1987	77 1/2	78
Prov. of Quebec 7pc 1988	54 1/2	55 1/2	ITT 4pc 1987	68	70
Prov. of Quebec 7pc 1989	54 1/2	55 1/2	ITT 4pc 1988	68	70
Prov. of Quebec 7pc 1990	54 1/2	55 1/2	ITT 4pc 1989	68	70
Scamander Sps 1986	80 1/2	81 1/2	J. Ray McDemott 4pc '87	129	131
Scamander Sps 1987	80 1/2	81 1/2	Missouri 7pc 1986	129	131
Scamander Sps 1988	80 1/2	81 1/2	Missouri 7pc 1987	129	131
Scamander Sps 1989	80 1/2	81 1/2	P. J. Morgan 4pc 1987	129	131
Scamander Sps 1990	80 1/2	81 1/2	Nabisco Sps 1988	89	91
Standard Oil Ind. Sps 1986	97 1/2	98 1/2	Onken 4pc 1986	77 1/2	79
Standard Oil Ind. Sps 1987	97 1/2	98 1/2	Onken 4pc 1987	77 1/2	79
Standard Oil Ind. Sps 1988	97 1/2	98 1/2	Parker 6pc 1989	145	148
Standard Oil Ind. Sps 1989	97 1/2	98 1/2	Rank 4pc 1989	85	87
Standard Oil Ind. Sps 1990	97 1/2	98 1/2	Rank 4pc 1990	85	87
Trans. Sps 1986	97 1/2	98 1/2	Spartan Rand 4pc 1982	85	87
Trans. Sps 1987	97 1/2	98 1/2	Squibb 4pc 1982	76	78
Trans. Sps 1988	97 1/2	98 1/2	Squibb 4pc 1983	76	78
Trans. Sps 1989	97 1/2	98 1/2	Toshiba 6pc 1990	101	103
Trans. Sps 1990	97 1/2	98 1/2	Union Carbide 4pc 1985	100	102
Union Carbide Sps 1986	100 1/2	101 1/2	Union Carbide 4pc 1987	97	99
Union Carbide Sps 1987	100 1/2	101 1/2	Union Carbide 4pc 1988	97	99
Union Carbide Sps 1988	100 1/2	101 1/2	Verne Lambert 4pc 1988	76	78
Union Carbide Sps 1989	100 1/2	101 1/2	Waxco Sps 1988	70	72
Union Carbide Sps 1990	100 1/2	101 1/2			

All these bonds have been sold. This announcement appears as a matter of record only.

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October, 1975

FINANCIAL TIMES SURVEY

Tuesday October 21 1975

LONDON METAL EXCHANGE

So far 1975 has been a generally disappointing year for the London Metal Exchange. Industrial activity has not picked up enough to produce a significant rise in the demand for base metals. Moves towards introducing a 'clearing house' system have intensified.

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SED DEMAND, and
wing in narrow ranges,
1975 a quiet year
London Metal Exchange,
least. The year started
ectations that a re-
o industrial activity,
fore demand for base
was likely to bring
rices in the fourth
of 1975. But these
ve now been dashed,
it postponed until an
date next year.

In the meantime with very
fluctuations compared
ous years, and little
the surplus supplies
from the Metal Ex-
ere is precious little
to trade among trade
in particular. How-
est has been sustained

at a surprisingly high level by
the development of a new form
of long-term investment buying
from 'sources' not previously
interested in putting funds into
the commodity markets. The
attraction of copper, silver and
other metals as an investment
for funds seeking protection
against the ravages of inflation
and currency changes has been
well publicised. A look at past
metal price trends confirms
quite clearly that they keep in
line with rising production costs
and eventually, therefore, infla-
tion and currency changes. The
important point, of course, is
not to buy when the prices are
artificially inflated.

Fallen

All the available estimates
and statistics at the beginning
of the year suggested quite
accurately that metal prices
had fallen to near, or even
below, production cost levels,
so it seems inevitable that there
must be an upsurge in prices
to encourage the required
expansion in output once there
is sufficient demand generated
again to mop up surplus stocks.
Unfortunately there are differ-
ing interpretations of a "long-
term" investment. To some

investors three months is a
long time, while others are pre-
pared to wait for three years or
more before expecting a hand-
some profit. In the general
excitement, encouraged by
metal dealers anxious to pro-
mote trading activity, many
investors appear in reality to

have been expecting a short-
term profit, and they are likely
to be somewhat disappointed
by the likelihood of metal prices
only rising sufficiently quickly
to keep pace with the declining
value of sterling for some time
other metals as an investment
yet.

And, if an attractive alterna-
tive investment arises, they
may well be tempted to switch
away from the negative return
of metals—with the promise of
large capital gain sometime in
the foreseeable future—in
favour of a quicker return.
The build-up in copper stocks
held in London Metal Exchange
warehouses for 28 weeks in
succession from some 165,000
tonnes in March to over 430,000
tonnes by September is some-
what daunting to investors look-
ing forward to higher prices.

bearing in mind that the
previous stocks peak in
December, 1973, was only
192,000 tonnes. Of this huge
total it is estimated that non-
trade investors or speculators
hold only a small proportion—
estimated to range between
50,000 to 80,000 tonnes. The
rest is basically held by banks
and other financial institutions,
which play a vital role in financ-
ing stocks.

In the absence of trade
interest in the market, the role
of the speculator or non-trade
investor in influencing prices
has tended to be over-publicised.
Nevertheless, it is claimed that
up without the extra funds coming
into the metal market from out-
side private sources, the price

of copper nowadays would prob-
ably be £50 to £100 a tonne
lower than at present, putting
even greater pressure on pro-
ducers and aggravating the
threat to future supplies. In
other words the speculator is
helping to stabilise the market.

It is now the turn of con-
sumers to complain about undue
speculation distorting the price
of metals away from the true
law of supply and demand, but
the critics have been far less
vociferous than in past years of
wild price fluctuations.

Attack

One of the LME's arch critics,
Mr. J. Vuillequez, vice-chairman
of Amax Inc., recently returned
to the attack on producers pric-
ing their copper on the Metal
Exchange's daily quotations. He
claimed it was "inimical to the
interests of producers and con-
sumers and, therefore, to the
LME itself." This method of
pricing, he added, had in recent
years created excessive stocks,
whose sale is no longer con-
trolled by the producers. As a
result "these producers have
frittered away very large
amounts of valuable ore
reserves, a non-replenishable
and wasting asset, at un-
remunerative prices and, in
many cases, suffered serious
losses." While recognising that
the LME pricing method has
faults, the basic fact is that no
one so far has been able to come
up with a better system to reach
a "fair price," reflecting all the
factors affecting metal prices—

not just supply and demand of
primary supplies, but also many
other influences.

However, a radical change in
the long-term future of the
Metal Exchange could result
from increased pressure for the
introduction of a clearing house
system, similar to that used in
the "soft" (non-metal) com-
modity futures markets. Increas-
ing concern has built up in
recent years about the financial
viability of the Exchange in the
event of a major disaster, which
has hit so many other industries.
It is recognised that the LME
system of a principal's contract,
whereby each ring-dealer
member is individually respon-
sible for meeting any commit-
ments made, has worked very
well for many years. But it is
felt the huge rise in the amounts
involved, reflecting higher metal
prices and the changed pattern
in the world's financial struc-
ture, with previous "blue chip"
companies going under, raises
sufficient doubts about the exist-
ing LME system as to threaten
its future.

One or two potential
"disasters" in recent years,
although easily dealt with by
the LME system, have intensi-
fied fears about the repercus-
sions of any major upset, and
brought growing pressure—led
by the Bank of England—for
something more to be done
about assuring the financial
stability of the Exchange. In
July a special meeting of all
ring-dealing members—believed
to be the first meeting of its

kind—was held to consider
certain proposals aimed at
strengthening the financial
base. But nothing definite was
forthcoming, mainly because of
the deep division between sec-
tions of the Exchange about
the desirability of a clearing
house system and, if accepted,
how it should be applied.
Basically, the opponents of a
clearing house are desperately
worried about the likely
impact it would have in chang-
ing the unique character of the
LME built up over the years,
on which its world-wide repu-
tation is based.

They argue that a clearing
house system would tend to
discourage trade participation,
which is the lifeblood of the
Exchange, in favour of specula-
tion and the end result would
be for the LME to become a
poor relation to the speculator-
dominated New York copper
market. Supporters of a clear-
ing house point out that there
is plenty of trade activity in
the cocoa and sugar markets,
which use a clearing house, and
that the Exchange will not be
able to survive without becom-
ing up to date with modern
requirements. The outcome of
this lengthy debate is likely to
be a compromise, unsatisfactory
to all, but which could
mean a radical alteration in
the Exchange for the future with,
for example, an extension in
the months traded ahead to a
longer period ahead instead of
the somewhat archaic three-
months' limitation, retained

basically because of problems
in granting credit for a longer
period.

Copper remains the main pre-
occupation of the Exchange,
often known as the London
Copper, rather than metal
Market. But fundamental
supply/demand predictions sug-
gest prices could stay fairly
stable for some time yet, unless
a link with the oil-producing
countries enables the leading
copper exporters either to
channel surplus stocks off the
market or afford drastic cut-
backs in production. Without
such measures there is a pos-
sibility of surplus stocks keep-
ing down copper prices for a
long time as a result of
high interest rates teaching
consumers to live on a hand-
to-mouth basis as a normal pattern
rather than in exceptional
circumstances.

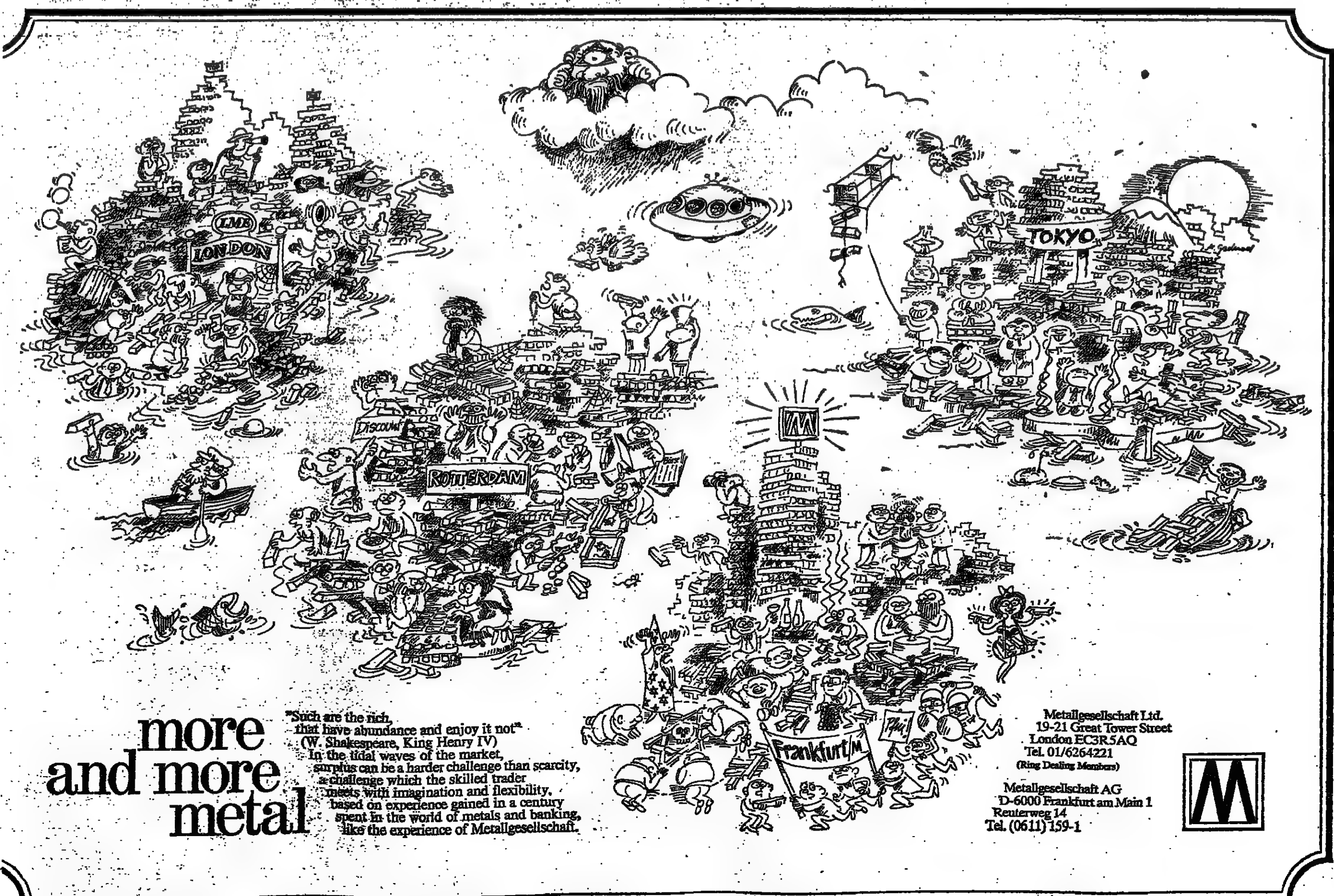
Activity

Interest in tin trading has
failed to be stimulated much by
the introduction of the high-
grade quality contract that was
supposed to replace the out-
dated standard tin contract. But
activity could well be stimu-
lated in the next few months
by the battle to defend the
"floor" price of the Inter-
national Tin Agreement in the
face of the continued decline in
demand. Zinc trading on the
LME may also continue to
attract more interest following
the rise in the European pro-

ducer price to a higher level,
and the competitive threat pre-
sented by LME values at being
too great a discount. This year
the zinc producers firmly estab-
lished control over the LME
market by a programme of
heavy support buying removing
surplus supplies, and a further,
even greater, effort may be
needed to sustain the rise in the
European producer price at a
time when demand remains
slack.

Meanwhile, the primary lead
producers were forced to rein-
stall control of the LME mar-
ket in view of the unbearable
costs burden created by buying
up surplus stocks, much of
which came from secondary
smelters. Producers are not ex-
pected to attempt to re-es-
tablish control until demand im-
proves sufficiently for the
present surplus to be removed
by consumers.

The LME silver market had
another disappointing year,
handicapped to a large extent
by the limitation of a seven
months forward contract, while
the London bullion brokers and
U.S. futures markets in Chicago
and New York quote prices up
to 13 months ahead. For 1976,
the outlook for the Metal Ex-
change is very much dependent
on how soon the recovery in
industrial activity worldwide,
and especially in Europe, takes
place. With some hopeful signs
in the U.S., it seems likely that
the second half of next year
could produce a much livelier
picture.



more
and more
metal

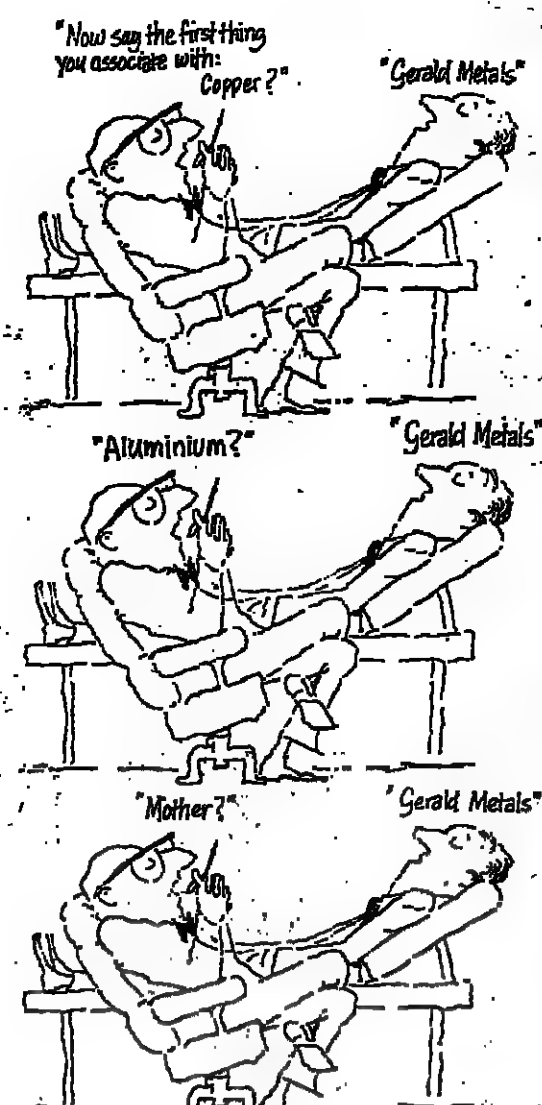
"Such are the rich,
that have abundance and enjoy it not"
(W. Shakespeare, King Henry IV)
In the tidal waves of the market,
surplus can be a harder challenge than scarcity,
a challenge which the skilled trader
meets with imagination and flexibility,
based on experience gained in a century
spent in the world of metals and banking,
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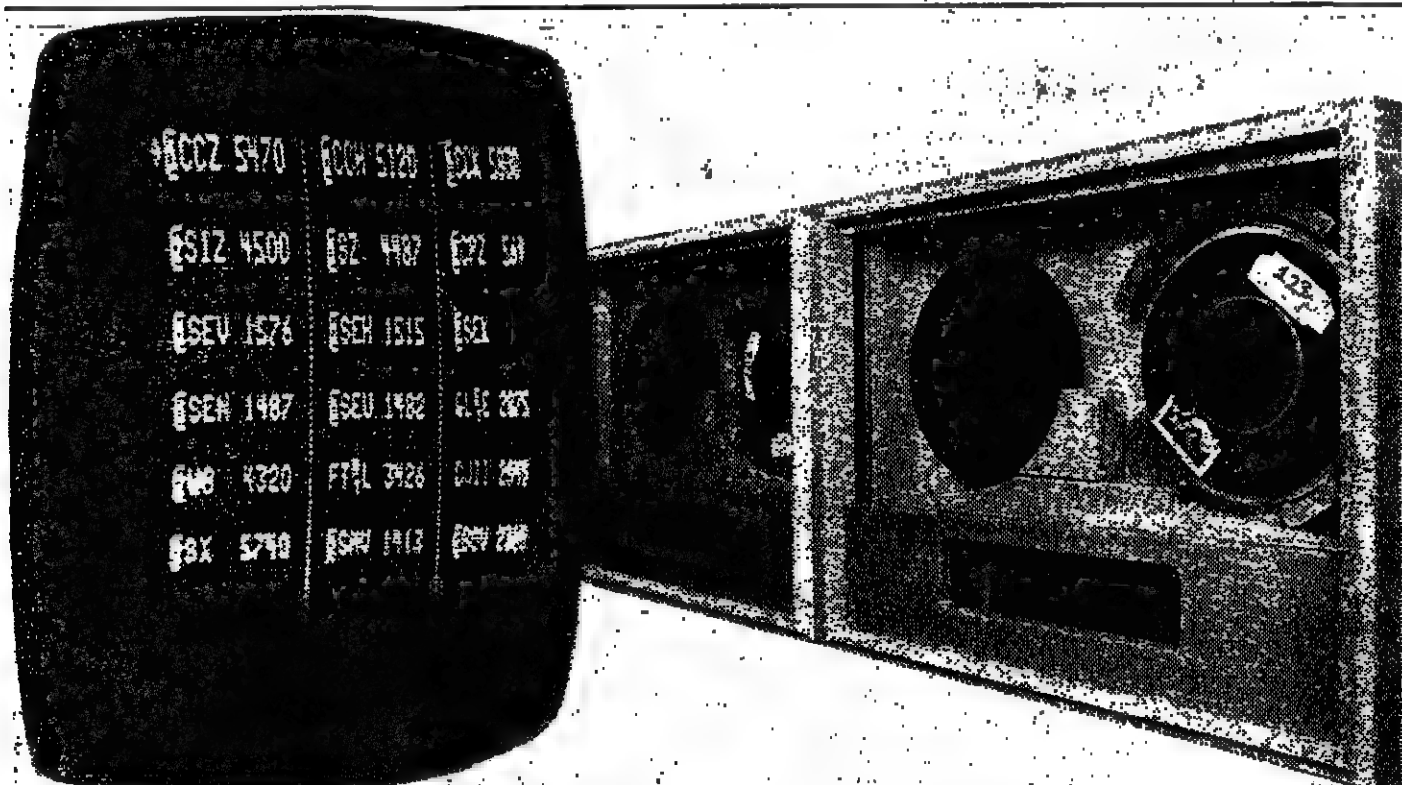
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هكذا من الأصل



The dealing ring of the Exchange

Clearing problem unresolvable

THE LONG SAGA of clearing house and principal's contract on the LME continues. To some it is a sort of embodiment of the irresistible force meeting the immovable object; to others it is a by now rather odorous red herring diverting attention from progress towards a more secure market.

Little has happened to modify to any real degree the arguments for and against a clearing house contract in place of the present principal-to-principal dealings. Perhaps a period of quiet market conditions with only very modest fluctuations in prices has dulled the edge of the clearing house supporters. But, they argue, surely this should have been the time to

experiment even in a limited way: when price movements would have called for nothing very painful by way of margins?

Certainly the problem has not been brushed under the carpet. In fact this and other related matters concerning the financial security of the market have been given a more than usually thorough airing in recent months. A scheme for going at least part of the way to a clearing of a sort, while at the same time retaining the principal's contract, was produced. It almost achieved introduction on the LME before being abandoned as the result of a House of Lords decision in another, but relevant context setting a possible legal precedent.

The concept of some form of in-house clearing among Ring

members is not new; this could well turn out to be the sort of acceptable compromise which would allow members the freedom of the principal's contract in their dealings with their clients, even though they clear their dealings with each other. But is a compromise proposal worth the degree of change—temporary upheaval even—which it must inevitably provoke—however limited it may actually be in its scope? The all-or-nothing hard liners would say: not let things remain as they are, or change completely.

Selective

So the debate continues, albeit in a fairly low key in relatively tranquil markets. Its resolution, a change in policy, remains as clouded as ever. Certainly, the history of the LME shows a quite exceptionally clean bill of health from the standpoint of the security of the market through its several and independent members trading as principals. The pre-clearing lobby has no major disaster at which it may point, and this cannot make its case any the easier to put across to an opposition which can—and does—

point justifiably to a good track record.

This record is not necessarily coincidence, or just good luck. Membership of the Ring of the LME is confined to the representatives of a relatively few organisations of considerable standing. If the LME is a club, as some people claim, then it is a very selective club. The ring dealing members command very large resources with which they can back their trading activities. This direct link between the LME and the big battalions of the trade is the most prominent feature distinguishing this exchange from other markets. With such a preponderance of international or multinational names on its list of members, the LME finds itself in a very favourable position from the standpoint of its own internal security.

"The bigger they are, the harder they fall." Of course there is the other side of the penny to be considered. And this is probably the main plank of the pre-clearing lobby's case: pointing as it does to the almost catastrophic consequences of a failure (highly unlikely though it may be) of a company in this

league. They do fall from time to time: names that are household words one day become headlines in the papers and then disappear.

But it is not just a question of scale, and the body of opinion favouring a clearing among Ring members only is probably on precisely the wrong tack. The large client (market misnomer for customer) trading actively through more than one Ring member, is arguably the greatest risk potential facing the Exchange. His activities probably ought to be better known, and therefore more contained, than is possible at this time.

Unfortunately, the very privacy of the principal's contract can be invoked as a powerful argument against any form of recording these contracts in a central bureau.

So where could the LME go towards any sort of central recording of contracts—themselves the essential forerunner of a clearing—without major changes being called for in the outlook of its members? The answer is not very far. What likelihood there is of any such change of heart coming about is impossible to

forecast at this juncture of the foremost quality LME as a market is its ter—it is certainly its deeply and proudly pen all the commodity and to change human never an easy task.

Assuming natural was to be overcome measure of centralisation into the LME's way of its affairs, what would side-effects on the map on its claim to occupy central position in world of metals? Would change drive the bra (and if so, where to go for their neutral, and leave the market to trade elements? Or by at least implying a discipline, attract certain elements how known, little hesitant about use of and support of.

It is just the acerbic of forecasting the man of such an alteration which both prolongs and so very important—am to the Ring member Exchange.

By a Correspondent

Current stocks too high for comfort

THE LEVEL of stocks (notably of copper) now currently attributable to the LME is higher than it has ever been. It more than doubles the previous high of some three years ago.

In statistical terms of a percentage of world stocks of material at present surplus to requirements, the position is "serious but not grave". A buffer stock, in short, which looks large now on paper but which may well dwindle with startling rapidity once the world's manufacturing industry moves into action again.

Questions overriding those of simple tonnages therefore arise: when is the industrial turnaround coming, and how uncommitted then will this "buffer stock" prove to be?

The machinery of the LME is well geared to cope with a surplus situation—even one of such global magnitude as that now facing producer and fabricator alike. The technique of "borrowing" metal—buying spot and re-selling forward into the premium of forward over spot—is not a new one, nor is it very difficult to put into practice. In effect, any institution having access to money at less than the going rate for money may make a turn on the difference between this gross cost—the lion's share of the contango between spot and forward prices—and the net cost to itself over the same period of time.

When demand begins to rise, the contango narrows, the national interest element in borrowing becomes unattractive, and the stocks are released once more to the market—and thus to industry—at a time when the market is beginning

to have need of them. In the meantime they have to a very large extent been financed by funds other than those of the industry itself.

A happy, idyllic picture but for two things. First, how willing will the "financiers" be to sell back to the market merely on a narrowing of the contango, rather than wait for a squeeze and so make a comfortable capital profit on top? Second, to what extent, in the meantime, have interest rates on money been instrumental in dictating the price of metal? To what extent, in short, has the market lost both short-term control of its own "chips" and permitted the price of those

chips to be made by non-market influences?

There is a saying on the LME that: when a squeeze arrives then "the metal comes out of the woodwork." This is true, but at what cost in terms of a heavy backwardation (the premium—often excessive and theoretically without limit—commanded by spot over forward material): to say nothing of disruption in the flow of supplies to the consumer? True, the LME has never yet been caught in the position of actually being unable to deliver at a price, and its proud boast that there is no force majeure in an LME contract still holds good.

what cost?

As the LME is presently situated under the "dormant" of the principal contract, the way of telling with an accuracy who are the of metal: those very of financiers of stocks who otherwise "disgrace" cash-flow returns of a ment of industry, general reading of the situation, they are caught in the position of actually being unable to deliver at a price, and its proud boast that there is no force majeure in an LME contract still holds good.

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Copper

PROSPECTS FOR a sustained recovery in world copper prices to a level more in line with production costs look none too bright at present. Stocks in London Metal Exchange warehouses have soared to a massive total of over 430,000 tonnes, against a previous peak of 182,000 tonnes, but this is only an indication of the surplus supplies overhanging the market. Altogether it is estimated western world stocks will reach over 2.25m. tonnes this year, the equivalent of over four months supplies, and this figure is expected to rise still higher in the years ahead unless there are drastic cutbacks in production and postponement of proposed expansion plans.

In a special report on copper trends, just issued by Amalgamated Metal Trading, it is predicted that refined stocks will continue to expand to over 3m. tonnes by 1978, even allowing for a mine production rate of less than 86 per cent of available capacity in the period 1975-78, compared with an average of 81 per cent in the previous 15 years.

In these circumstances it is felt there is unlikely to be a sustained increase in copper prices while there are such surpluses and margin of unused production capacity. It is calculated that less than 50 per cent of the world's copper mines are able to operate profitably at present price levels, and if present production costs continue to rise and the percentage of loss-making mines will increase steeply. This means that either the size of production cutbacks will have to be stepped up considerably, or the longer term outlook will be for minor closures and an acute shortage of supplies, eventually with a repeat of the soaring prices of copper in recent years.

As the consumption trends show, the growth rates in demand for copper in the main consuming areas are not good, with the past record of scarcity and wildly fluctuating prices encouraging substitution wherever possible. The oil crisis, if it continues to slow down industrial activity, will hardly help future demand for copper. However, the political problems surrounding a general cutback in copper production world-wide are immense, and

likely to be confused by the tempting possibility of providing a short-term solution by stockpiling surplus stocks—an expensive exercise that does nothing to tackle the root problem.

During the past year some progress has been made towards producer co-operation. Despite political differences, and their competitive nature, the four member countries of the Council of Copper Exporting Countries (Cipec) did take a joint decision to cut back output and sales by 10 per cent, and a further 5 per cent in an effort to bring supplies more into line with declining demand.

The cuts are claimed by Western world consumers to be more based on theoretical targets than actual production except in the case of Zambia, where transport problems and import/export restrictions have brought a definite reduction in deliveries. Nevertheless it is the first time a joint decision for positive action has been taken by Cipec, and further measures for price protection are to be considered at the ministerial meeting in Lima next month.

In the past 12 months, copper prices on the London Metal Exchange have moved in a narrow range between a low of \$498 for cash wire bars to a high of \$625 a tonne, after the spectacular fall from over \$1,400 at one stage in 1974. With the recent disappointment at the likely postponement of any sustained recovery in industrial activity world-wide until late 1976, price prospects for next year do not suggest any great increase, apart from the reflection of any further decline in the value of sterling and renewed inflationary pressures. The extent of investment purchases this year, and forward buying by consumers, especially in West Germany, is likely to slow down any upsurge in prices, even if the surplus of stocks can be

reduced. But past history has shown that copper prices do not stagnate for very long. With consumer stocks at very low levels the situation could change rapidly once industrial demand starts to pick up.

Tin

AN ALMOST constant battle, still continuing, to keep tin prices in line with production costs and above the "floor" of the International Tin Agreement has been fought on the London and Penang markets. An eventual year has been the renegotiation of a new Tin Agreement to replace the present pact that expires next year; the controversial suspension and subsequent resignation of the Agreement's buffer stock manager and deputy; and the imposition of severe controls on exports to try to bring supply more into line with demand. Unless prices can be lifted to more reasonable levels soon, it is feared that the closure of marginal mining units and lack of development of increasingly scarce new deposits could result in another period of scarcity and soaring prices once demand picks up again.

At present, however, the newly appointed buffer stock manager of the International Tin Agreement is facing a testing time, with his available funds believed to be none too plentiful, and the delay in the recovery of demand threatening to necessitate the removal of more surplus supplies from the market by support buying if even present price levels are to be maintained.

The situation has not been helped by the decision at the last Tin Council meeting in September to relax the export controls slightly during the last three months of the year to a 12 per cent cutback, instead of the 18 per cent reduction in

possession from April to June and renewed for a further three months. The relaxation aimed, in particular, at easing the plight of some marginal mines in Malaysia and means, in effect, that a further 2,000 tonnes of tin could be offered on to world markets in the last quarter, and with the expected failure of demand to improve, the buffer stock may have to take up the extra quantity at a time when funds must be running short. It was revealed that at the end of June the buffer stock holdings totalled 11,830 tonnes, and further tin has probably been bought subsequently. It is calculated that the buffer stock funds are only sufficient to acquire between 14,000 to 15,000 tonnes of tin at the present price levels, so any further heavy support buying could severely stretch the buffer stock's financial resources.

Part of the problem was caused by the decision to raise the "floor" price of the Agreement to \$2900 a picul (133 lbs) in January to take account of the increase in production costs in the main producing areas. At the time it was claimed the rise was not sufficient to cover output costs, and since then inflation has obviously added a further twist to the costs spiral, so further attempts for another floor price increase could well be made at the next Tin Council meeting.

A rise in sales by China, which is not a member of the Agreement, worsened the situation and the threat of more sales from that source remains. However, it is hoped that at long last the U.S., the world's biggest consumer of tin, will become a member of the new Agreement due to come into force next July. U.S. Secretary of State, Dr. Kissinger, has confirmed recently that it is the intention of the Ford Administration that the U.S. should join the new tin pact, but this is subject to approval of the U.S. Congress, where there are powerful anti-Agreement forces already prepared for battle.

Meanwhile, dissatisfaction with the terms of the proposed new Tin Agreement, and bitter-

ness over the super replacement of the all-buffer stock personneling the attitude of leading countries to pact. Some producers sufficiently strongly that their interests better served by a purely producer cart example set by the oil countries with OPEC of the concentration of production resources in areas, mostly with interests to develop ties.

It was felt that the i of the previous bu manager, Mr. Tom A before the renegotiat new Tin Agreement r producers of one of ing supporters du Geneva talks. As a ducers failed to ac major objectives. Or alteration in the vo ture so that a sim can take major ded other was that the countries should ma any contributions l large buffer stock producers claim it is should be forced to stock which is of ben sides in stabilisin prices.

In the event it was double the size of stock from the eq 30,000 tonnes of tin tonnes, but with on contributions from the 20,000 tonnes. An change, however, is will in future be val current "floor" pr than the one in be beginning of the with the present pac floor price has gon \$1,350 to around \$3, but the contributi buffer stock is still b original floor price, reducing the ton 20,000 to 9,000 tonne.

Under the new situation will be ve 30 months to see voluntary contributi assess whether fun obtained instea independent soure International Moneta the multi-commodi proposed by Unctad.

The compromi pulvisory buffer, i tributions does lea open for U.S. exit new Agreement, a sidered extremely d Congress would membership if th the compulsory of large sums of an international aimed at keeping pr for the moment th the Tin Agreement, most successful com is looking somewhat

Lead and zinc

IN SOME ways the lead and zinc markets have swapped positions in the past year. Primary producers, who previously controlled lead prices on the London Metal Exchange by a policy of support buying, lost control of the market completely and have left prices to find their own level. In contrast zinc producers are now taking a much more active part in regulating LME zinc values in order to ensure that they do not undermine the European producer price. This support campaign in zinc was made necessary by the producer's determination not to cut their prices in the face of falling demand, but instead to reduce production drastically.

It was feared that surplus supplies of zinc, especially from the Communist bloc countries, pouring on to the LME would be so competitively priced that they would attract away consumers with direct supply contracts, based on the European producer price at which the bulk of zinc is sold and which provides a guideline for the cost of ore concentrates sold by the mines to smelters. So zinc producers, who had previously been mainly concerned with the maintenance and agreement of a common price decided after unofficial consultations, also set aside funds to keep the LME market in line. Once or twice the market broke free, when the cash price was forced below \$300 a tonne by speculative selling for a brief period, but the producers soon re-established by buying up a large proportion of the stocks available to the market.

It has been an expensive exercise at a time when zinc producers' resources have been strained by the move to cut back output by as much as 40 per cent of available capacity in view of the slump in demand after the previous boom. A further test of strength is now due, with the move by the majority of producers—likely to be universally followed—to raise the European price by \$30 to \$390 a tonne. It is claimed that, although demand for zinc is still poor, the increase in price is justified purely on the depre-

ciation in the real value of the European price since the last rise in September, 1974 as a result of the decline in the value of sterling during the past year. But it does mean that LME values should come up to a range of between at least \$380 to \$370 a tonne if they are not to undermine the newly established producer price.

Zinc stocks in the LME warehouses have been rising steadily, and it is believed there is a sizeable amount not on warrant, so it may take some time before the producers can establish control again, especially if there is no sustained recovery in demand. The outlook for zinc consumption is far from promising at the moment, with the depressed state of the car and steel industries, but zinc is usually the first base metal to be affected by changes in industrial activity and there is a slightly more hopeful view in the U.S., where destocking of metals appears to have halted, it is hoped as a prelude to better demand.

Lead prices appear to have found their own level now, since the withdrawal of the producers' support buying activity in May, when there was a very sharp fall from \$180 to \$150 in less than a fortnight.

The market has subsequently rallied to present levels, if only to mirror the decline in the value of sterling, but there is precious little trading activity as demand for lead—like all other metals—has been hit by the general slump in industry.

The producers started the year by trying to hold prices above \$220 a tonne, then gradually lowered their target to \$190, under the pressure of having to buy up large quantities of surplus supplies, particularly from the secondary smelters, who have a different pricing structure from primary producers. It then became evident that the lead producers could no longer afford to bolster the market in this way, particularly as they had no control over scrap supplies, which account for some 60 per cent of total sales in Britain.

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Tuesday October 21 1975

Receiver for NVT Small Heath plant

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

HOPES of retaining a two-factory motor-cycle industry in Britain took a further blow yesterday when the rump of Norton Villiers' Triumph's manufacturing activities were put in the hands of the receiver.

The decision means that NVT has now handed over control at both its major plants. Yesterday's announcement appointing Mr. Kenneth Cork and Mr. Michael Jordan of Cork Gully as joint receiver managers at the group's Small Heath plant in Birmingham, comes only two months after the liquidator was called in at its Wolverhampton factory.

The only major motor-cycle manufacturing interest still trading satisfactorily in Britain is the Meriden Co-operative, set up almost 25m of Government backing, and part of NVT until it was hived-off after a workers' strike.

NVT, the holding company, said yesterday that it still hoped to pull together a rescue plan for Norton Villiers' Triumph Manufacturing, the concern which went into receivership yesterday.

This would involve a much smaller operation, cutting the workforce, it is believed, from its present 1,000 to 500, moving

manufacturing to smaller premises, and possibly assembling new, small machines using imported components. Appointing the receiver would "buy time" in launching the plan, the company said.

Mr. Cork is acting for Barclays Bank, the main debentureholder, which has a floating charge over most of the NVT group. While the NVT management remained the prospects of saving the company from liquidation - which frequently follows receivership - Mr. Cork said it was too early to make an assessment. "We don't like shutting things up and we don't often have to," he added.

A creditors' petition to the High Court for winding up NVT was adjourned yesterday for a fortnight. Hence, since the receiver takes precedence in law over a liquidator, the future of the company is squarely in the hands of Mr. Cork.

NVT emphasised yesterday that its marketing companies both in the U.K. and overseas were continuing to trade, and had plenty of stocks, although there was a question mark over Norton Triumph International, described as a "purely administrative" its present 1,000 to 500, moving

This means that the immediate future of Meriden, which sells its machines through the NVT network is not threatened.

Meriden sales prospects were also given an additional boost yesterday with an agreement enabling NVT to draw on £2m of the £5m of export credits guaranteed by the Government for selling the Co-operative's machines overseas. The credits had recently been held up by Treasury queries over documentation.

But the long-term future of the NVT group itself now depends on detailed talks between the receiver at NVT Manufacturing which is believed to have debts of between £2m and £3m, and other interested parties. These include the liquidator at Wolverhampton - where 1,000 workers are staging a sit-in - the men themselves, the banks and the Government, which has a £4.8m loan outstanding to the group.

In his statement on the motor-cycle industry two months ago, however, Mr. Eric Varley, the industry Secretary, made it clear that the Government would not be prepared to give the industry any further financial assistance.

Retail sales show further slide of 3.1%

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

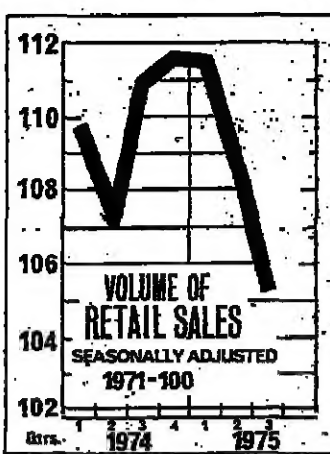
THE VOLUME of retail sales in the U.K. dropped a further 3.1 per cent. between the second and third quarters in the face of the "deepening recession and the squeeze on consumers' real incomes."

Although sales volume edged up a little during the course of the July-September quarter, most retailers say that there has been little underlying change, and that sales are running below forecast in many cases.

The decline in the volume of sales this year has been one of the steepest on record, with the Department of Industry's official volume index - 1971=100 - falling from 111.5 in January-March '75, 108.7 in April-June and now 105.3 in July-September.

The pre-VAT sales boom in consumer goods during April was such that the volume index for all retail trade shot up to 120.3 in that month, but there was a bound to be some sort of reaction in the third quarter. Even so, the decline was very steep.

The provisional estimate of the retail sales volume index for September is 106.8 - up on the 104.9 in August, but not taken by either Whitehall or the retail trade as heralding any significant change in what



is described as a "plodding" sales picture.

Retail sales account for nearly half of total consumer spending, and the recent figures suggest that the course of spending continues to be significantly below the level suggested by official forecasts earlier this year.

The level of spending would have been somewhat higher if people had not responded to the uncertainties of the recession by saving more, and there are considerable differences between economists as to whether the savings ratio is going to continue at its present high level.

More Vickers cash expected for KTM

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE VICKERS engineering group is likely to give a fresh injection of capital to the State-controlled machine tool concern Kearney and Trecker-Marwin and therefore ensure the return of Vickers to the private sector of industry.

A year ago the Government pumped £5.5m into KTM by way of Industry Act loans and in return took a 50 per cent. stake in a new holding company set up to control KTM. Vickers agreed to take management responsibility, put up a secured loan of £200,000 and was granted an option to acquire control of KTM next year.

But KTM now needs more working capital and restructuring yet again because the last cash injection has been soaked up by the effects of inflation and continuing losses.

The balance sheet with the accounts sent out to shareholders yesterday shows a deficit of £5.5m at December 29, 1974. Mr. Jim Hendin, chairman of KTM, and also chairman of Vickers' engineering division, said last night: "Vickers is having discussions with the Government and the other shareholders about restructuring and the provision of more capital for KTM."

"Within weeks" "I would anticipate that, if the other shareholders agree, Vickers would participate financially in the restructuring. Certainly the Government is looking to Vickers to continue managing KTM and to put up some of the new capital."

He expected that the situation would be sorted out "within three to four weeks."

KTM incurred net losses of just over £2m in the year to September 30, 1974, and £1.4m in the following 18 months. In his statement, Mr. Hendin forecasts "a nominal loss" for the current year and adds "a return to profitability must now depend on when the machine tool market emerges from its present recession."

Many people in the industry feel this will not happen until the third quarter of 1976 at the earliest.

The Government has determinedly kept KTM alive because of its key position at the high-technology end of the machine tool business.

The company is certain to get a "fair slice of the money" Leyland will spend to re-equip

Recovery

There seems no obvious reason why the other shareholders in KTM should not go along with another restructuring scheme if the state, as a large shareholder, insists on it.

Other shareholders include Industrial and Commercial Finance Corporation with 7.5 per cent, and by ICFI standards, a relatively large investment of £1.8m in KTM; Kearney and Trecker of Milwaukee, 18.3 per cent, Marwin, a private company, 8.7 per cent, and W. E. Norton, a public concern, 13.4 per cent.

Mr. Hendin insists that, if KTM gets the new capital it requires, "I see no reason to doubt the competence of the company to recover from its troubles. It has excellent products, and the controls and procedures established since the reconstruction should ensure its ability to trade profitably in anything like normal trading conditions."

New rise in copper stocks

A FURTHER rise in copper stocks, up by 9,150 tonnes to a new peak of 445,775 tonnes, was rather later than anticipated by London Metal Exchange dealers yesterday. But prices were little changed in quiet trading conditions.

An increase in tin stocks, up by 90 to 5,795 tonnes, also took the market by surprise. In consequence, prices moved marginally lower despite a rise in Penang over the weekend and suspected buffer stock buying of cash tin in afternoon trading in London.

As expected, zinc stocks rose by 6,775 to 55,875 tonnes and lead by 2,475 to 79,225 tonnes. LME silver holdings increased by 110,000 to 17,010,000 ounces.

THE LEX COLUMN Clarifying the rights rules

The Treasury is taking steps to control rights issues made primarily to inflate dividend payments but it is not banning them - whatever last night's undignified rush of activity may suggest to the contrary.

As from midnight last night, companies making rights issues at a discount of more than 25 per cent on the market price will have to get official consent if they want to maintain their dividend in per share terms. And they are likely to get it, provided the dividend increases achieved in this way do not produce gross yields which are significantly out of line with companies of a similar type.

Most companies in a position to do this kind of issue have a high cover and a below average yield and the statement implies that those that have done it already would not have been ruled out of order by this latest move. The Treasury will continue to apply the rules "flexibly."

Two out of the three companies which announced rights issues at par last night would almost certainly have qualified without rushing. Kwik Save and Lennons (both advised by Singer and Friedlander) still have below average yields on an ex rights basis. S. and W. Berisford might have been a more marginal case: its prospective yield rises to nearly 8 1/2 per cent.

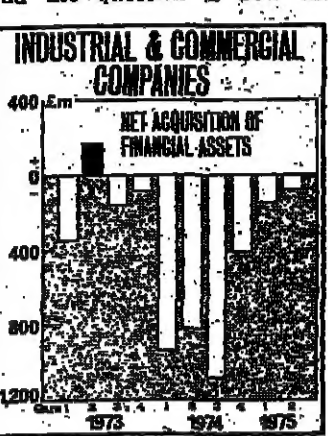
The other dividend ruling yesterday seems mainly aimed at recognising the facts of life: Companies which are incorporated in the U.K. and quoted on the Stock Exchange, but which are abroad for tax and exchange control purposes, will be permitted to exceed the 10 per cent. limit on application to the Treasury. Although Stone Darby's last accounts referred to the constraints of U.K. dividend legislation, it would have been very difficult to control any deliberate attempt to break the rules. Qualifying companies appear to include the likes of Highlands and Lowlands, Pahang Consolidated, Kulm and Maxm's.

Company finance

The corporate sector has made further progress towards eliminating its financial deficit, with industrial and commercial companies almost back to a balanced position in the second quarter. The chief factor behind this was, of course, a substantial process of physical industry decline was 6 1/2 per cent, stock appreciation was actually a slight acceleration since then, higher in the first half of 1975 though Rugby does not appear to be so far down. In contrast

Index fell 5.7 to 336.7

£2.33bn. against £1.81bn. the overall increase in the value of stocks fell from £2.56bn. to £1.17bn. This more than accounted for the £1.27bn. reduction in the sector's financial deficit between the two half-years. But after deducting stock appreciation are on a declining trend, and the question is how the



corporate sector can maintain this financial improvement once the destocking phase is over; already the distribution sector has reached a cyclically low level of sales ratio, though manufacturers may still have some way to go.

The new "Monetary Bulletin" from W. Greenwell states quite categorically that "adequate financing of the next stockbuilding phase has now been made impossible by the demands of the public sector. If Mr. Healey is really going to hold down the money supply, and is not willing to make cuts in public spending, industry will be starved of finance and will be forced into the arms of the Government."

Rugby Portland

Rugby Portland is determined to put last year's blenheim on 28 successive years of growth well behind it. After six months of 1975, pre-tax profits are 8 per cent, up at £5.36m, and although this rise is smaller than has been reported by other cement groups, Rugby had a much better first-half than them in 1974. The massive cement price rises, since May, quarter. The chief factor behind this was, of course, a substantial process of physical industry decline was 6 1/2 per cent, stock appreciation was actually a slight acceleration since then, higher in the first half of 1975 though Rugby does not appear to be so far down. In contrast

This cash strength, been reinforced by the quiet sales of the assets (not the free I. and F. Stone, as interest rates will tend momentum to the side of the investment in the year). It will be to see whether GUS seek to win back its market share in U.K. at 183p the "A" share the usual solid value.

German 4% growth forecast for 1976

BY JONATHAN CARR

BONN, Oct. 20.

WEST GERMANY can reasonably hope for a real economic growth rate next year of some 4 per cent, together with a further reduction in inflation. But the number of those unemployed will probably average about the same as this year, that is about 1m.

These key points emerge from the autumn report of five leading independent economic institutes - in Berlin, Hamburg, Munich, Kiel and Essen. Their overall conclusion, released to-day, is that none of the major domestic problems arising from recession can be wholly solved in 1976, a general election year, but that progress can be buoyed by moderate, worldwide, economic recovery.

The suggested real growth in GNP of 4 per cent next year is

lower than both the Government's own working estimate (3 per cent) and that of the Government's independent economic advisory council (6 per cent; if all goes well). In presenting the figure, the institutes also distinguish between an early rise in production - which they consider probable - and a durable economic upswing.

Next year

The institutes' base their expectation of an early rise both on the Government's own efforts to boost the economy (a DM.8bn. programme was agreed in August) and on an improvement in foreign demand. They expect real growth in the U.S. and Japan next year of between 5 and 6 per cent, and in Western Europe of between 2 and 3 per cent (against minus growth of more than 2 per cent this year).

However, the institutes observe that a durable upswing can only emerge if the propensity of entrepreneurs to invest is increased, and this means a clear improvement in their profit expectations.

Here, it touches on a key point which has been the subject of lengthy debate between the Government coalition partners, the Social Democrats and the Free Democrats, and which may be resolved later this week. The FDP is seeking benefits for private enterprises, including introduction of a limited "carry back" under which past losses could be set against current profits for tax purposes. The SPD stresses the difficulty of agreeing to such a measure when the Government has only recently proposed tax increases affecting all sections of the population from 1977.

Wage restraint

The institutes see the key element in a boost to investment not so much in tax advantages as in conclusion of moderate wage agreements - at about 5.5 per cent.

The suggestions may seem over-optimistic but comments by union leaders over the last few weeks suggest they will in the end be prepared to accept increases for their members which do no more than keep pace with inflation.

Publication of the report coincides with release of details of the September jobs taken in the manufacturing sector, showing a marked drop in public confidence in Chancellor Helmut Schmidt. The institute concludes that the Government is increasingly bearing the brunt of public dissatisfaction with economic trends.

Treasury closes dividend 'loophole'

By Margaret Reid

THE TREASURY last night moved to close a possible loophole in its dividend restraint policy by tightening its control over cash-raising issues of new shares made at a sizeable discount below the prevailing stock market prices.

Up till now, there has been considerable scope for the effective increase in dividend payments in the context of rights issues since the previous dividend rate can be maintained even if the new shares are priced far below the market level.

The Treasury is not claiming that the previous rules have been used to produce excessive payouts in the cases in question. But in the light of the "higher incomes policy" under which dividend increases are normally limited to 10 per cent a year, it has acted to prevent any possible future abuse.

A new order lays down that companies making rights issues at a discount of more than 25 per cent below the price on the Stock Exchange will have to get the Treasury's consent if they want to maintain their dividend per share on the enlarged capital.

Last night three new rights issues were announced, in all cases on terms which had been agreed before the order had come into force at midnight. They would have required official approval for the existing dividend rate to be continued.

The three companies are S. and W. Berisford, which is raising about £3.5m by a rights issue of shares at par (25p), compared with its 1974 market price, Lennons Group and Kwik Save Discount Group.

Kwik Save, whose shares closed 24p, is raising about £1.5m by a rights issue of shares at par (10p), while the issue by Lennons, whose shares stand at 50p, down 1p, is at the price of 10p a share.

The Treasury, whose move comes after a record-breaking procession of rights issues through which companies have raised more than £1bn. already this year, said that its action should not be taken as a change in the Government's policy of encouraging the raising of new capital for investment.

It is to continue to apply flexibly the rule allowing companies to forecast and declare a higher dividend when raising new capital for investment through a placing, rights issue, or offer for sale.

The purpose of the order was described as being to ensure that the effect on the dividend of an issue at a considerable discount was not out of line with the minimum yield needed for a conventional rights issue to be successfully launched.

Wage inflation reduced last month

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

A SLIGHT improvement in the wage inflation picture is suggested by new figures on wage rates and average earnings for August and September respectively.

Between July and August the index of average earnings rose by only 0.9 per cent - to 233.8 (January 1970=100), to a level 25.8 per cent above a year ago, compared with a year on year rise of 27.6 per cent. between July 1974 and July 1975.

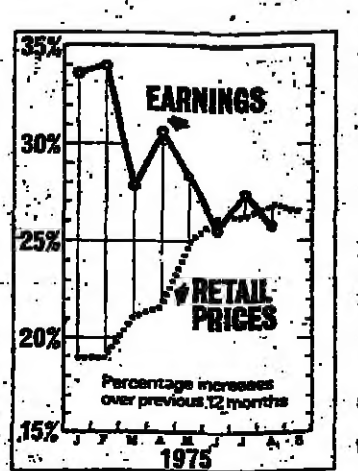
Between August and September the official index of wage rates hardly moved at all - from 184.1 to 184.5 (base July 1972=100), with the result that the sensitive year on year increase came back from 27.1 per cent. (August 1974 to August 1975) to 26.7 per cent. (September 1974 to September 1975).

Both of these indices have been distorted, however, by the earlier rush of settlements before the 28 pay limit took effect in August, so that while the movements are at least in the right direction, their significance is limited.

While the August increase in the earnings index is the smallest for nearly two years, it follows a sharp 4 1/2 per cent rise during July.

The wage rate index, in particular, tends to move jerkily. Sometimes there is a bunching of settlements, but on other occasions - as has happened this time - there are no major settlements during the month, so that the index can hardly be expected to change.

This said, there is no reason



to doubt that the 26 limit has got off to a reasonably good

start. The Government claims that 85 per cent. of the 2m workers who have settled since the policy was introduced have been awarded 55 or just under, and that the other 5 per cent have been awarded well under the limit.

Nevertheless, the incomes policy is only one arm of the anti-inflationary battle, and the way things are moving on the Government spending and money supply front is regarded as somewhat less encouraging.

In this context, it is somewhat surprising that official Government forecasters are being asked to assume the success of the 26 limit policy in the projections for 1976 rather than forecast what the course of wages will be. Retail sales down Back Page

Weather

U.K. TO-DAY

MAINLY DRY but cloudy, with bright intervals. London, E. S.E. Cent. England, E. Anglia, Midlands, Channel Is. Dry, bright spells. Wind S.E. light or moderate. Max. 13C (55F).

S.W. England, N. Ireland. Cloudy, perhaps some rain. Wind S. fresh or strong. Max. 13C (55F).

Wales, N.W. England, Lakes, I. of Man, S.W. Scotland, Argyll. Mainly dry, sunny spells. Wind S. moderate or fresh. Max. 13C (55F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, N.E. Scotland. Mainly dry, bright spells. Wind S.E. moderate or fresh. Max. 12C (54F).

Glasgow, Cent. Highlands, Moray. Mainly dry, sunny spells. Wind S.E. fresh or strong. Max. 11C (52F).

Orkney, Shetland. Mainly dry, bright intervals. Wind S. fresh or strong. Max. 11C (52F).

Outlook: Mostly dry, bright spells. Lighting-up: London 18.27, Manchester 18.32, Glasgow 18.34, Belfast 18.44.

BUSINESS CENTRES

	Y'day		T'day		
	mid-day		mid-day		
Alexandria	F 28	62	Manchester	S 12	25
Amsterdam	F 31	52	Metz	S 18	66
Antwerp	F 31	52	Monaco	S 18	66
Barcelona	F 31	52	Munich	S 18	66
Bombay	F 31	52	Norwich	S 18	66
Buenos Aires	F 31	52	Paris	S 18	66
Calcutta	F 31	52	Perth	S 18	66
Canton	F 31	52	Prague	S 18	66
Cebu	F 31	52	Rangoon	S 18	66
Colon	F 31	52	Reykjavik	S 18	66
Hankow	F 31	52	Rome	S 18	66
Hong Kong	F 31	52	Sao Paulo	S 18	66
Kobe	F 31	52	Stockholm	S 18	66
London	F 31	52	Sydney	S 18	66
Lyons	F 31	52	Taipei	S 18	66
Manila	F 31	52	Tokyo	S 18	66
Medan	F 31	52	Toronto	S 18	66
Osaka	F 31	52	Winnipeg	S 18	66
Shanghai	F 31	52	Zurich	S 18	66
Singapore	F 31	52			
Sourabaya	F 31	52			
Tientsin	F 31	52			
Yokohama	F 31	52			

HOLIDAY RESORTS

	Y'day	Mid-day	Y'day	Mid-day	
	°C	°F	°C	°F	
Asuncion	19	66	Jersey	12	55
Athens	22	72	Las Vegas	12	55
Bahia	12	54	Locarno	15	59
Blackpool	12	54	London	10	50
Bordeaux	12	54	Malaga	12	54
Boston	12	54	Malta	12	54
Buenos Aires	12	54	Miami	12	54
Calcutta	12	54	Nairobi	12	54
Canton	12	54	Nassau	12	54
Cebu	12	54	Nice	12	54
Colon	12	54	Norwich	12	54
Hankow	12	54	Osaka	12	54
Hong Kong	12	54	Philadelphia	12	54
Kobe	12	54	Rhodes	12	54
London	12	54	Saltzburg	8	46
Lyons	12	54	Santo Domingo	12	54
Manila	12	54	Tanger	12	54
Medan	12	54	Tenerife	12	54
Singapore	12	54	Tunis	12	54
Sourabaya	12	54	Valencia	12	54
Tientsin	12	54	Venezia	12	54
Yokohama	12	54			

Sunny, Fair, Cloudy, Rain.

MITSUI TRUST

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